

# Purchasing Week

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\$6 A YEAR U.S. AND CANADA \$25 A YEAR FOREIGN

## P.A.'s Forcing Long-Term Price Flexibility

### Value Analysis Becoming the Rage In Pentagon Procurement Circles

Washington—Defense contractors are putting more steam into their value analysis programs, spurred by a new contract clause under which the government offers to split the savings with suppliers.

For fixed price contractors who are slow to go along with the Pentagon's current drive to trim costly frills off military hardware, the warning is plain: Get a full-scale value analysis program on the rails—or don't bid. And the service procurement branches are getting set to back up their demands with some of their own know-how. Here are some late developments:

- Value engineering clauses written into fixed cost military contracts require that value engineering services "be furnished by the contractor in connection with performance of the contract."

- The Air Force now has in the works a contract proposal from Value Analysis, Inc., a consulting firm, to hold nationwide seminars for Air Force industrial survey teams on the concepts of value analysis. Reason: Get the inspectors trained in evaluating contractors' value engineering programs.

- The Navy's Bureau of Weapons, which contracts for aircraft as well as guns, is putting through final arrangements with Value Programs for Industry, Inc., another consulting firm, to hold VA sessions for top brass who deal in research and development programs.

The first session, scheduled for June 8 and 9, will be held in Washington. A second two-week session, starting June 12, will be (Turn to page 29, column 2)

### Auto Workers to Seek A Voice in Determining Who Gets Subcontracts

Detroit—The United Auto Workers served notice to management that it expects a say in determining who gets subcontracts.

The issue came up at the end of a three-day convention at which 2,400 delegates handed UAW President Walter Reuther broad power to bargain when Big Three negotiations begin July 1.

The union claims the major automakers have begun to turn away from traditional subcontractors who have collective bargaining agreements to "unorganized and unscrupulous suppliers who pay outrageously substandard rates."

The union will take aim at these companies by demanding that no subcontracts for parts, components, and supplies be given to:

- Companies without a collec-

(Turn to page 29, column 2)

### Firmer Demand Seen Bolstering Price of Copper

New York—New increases in copper and copper-based product prices are being taken in stride. Most experts figure the boosts 1¢/lb. in the case of copper, were long overdue.

They see the new prices sticking for these reasons:

- Improved Demand—Major producers who supply 80%-85% of the red metal report that they're already sold out for May delivery.

- High Foreign Tags—Prices in the world market had been ranging as high as 2¢/lb. above the U. S. price before domestic producers' new action. Usually the reverse is true, with lower overseas quotes exerting downward pressure on U. S. prices via imports.

- High Scrap Prices—Foreign buying of scrap has raised the

(Turn to page 30, column 4)

### ICC Permits Railroads to Increase Minimum Rates on Bulk Shipments

Washington—Shippers of bulk commodities suffered a blow last week when the Interstate Commerce Commission ruled that railroads could increase minimum charges of carload shipments effective May 23.

The ICC also gave the railroads permission to extend the minimums to some commodities now exempt—including cement, brick, scrap iron and steel, slag,

coal, ore, crushed stone, sand, and gravel.

The per-car minimums will rise to \$60 on traffic from, to or within the East, and to \$40 on traffic within and between the South and West. Present minimums are \$40.53 within the East, \$38.76 between the East and South, and \$39.82 between the East and West and within the West.

The ICC approved the increases as part of a general freight rate hike it granted the railroads last October. The per-car charge hikes were suspended at that time pending investigation.

The ICC said it approved the (Turn to page 4, column 4)

### Lead-Zinc Firms Huddle On How to Step Up Sales

Chicago—Lead and zinc producers outlined plans for a stepped-up drive to combat inroads of plastics and aluminum at the joint annual meeting of the Lead Industries Assn. and American Zinc Institute here last week.

This year's research budget runs well into seven figures, industry spokesmen said. They (Turn to page 30, column 2)



NEW PANEL LAMP: Rear view of new GE fluorescent shows how 5' arc is compressed into foot-square area (see story Page 29).

### Upturn in Steel Orders Sparks Warning About Longer Delivery Times

Pittsburgh—Steel mills and warehouses warned buyers to guard against lengthening delivery times on a wide variety of items, as demand for structurals and tinplate led a new upturn in orders last week.

Demand came in strong from automakers, giving one large Midwest mill its biggest individual week in a year. Farm machinery, appliances, tubular goods and metalworking were other industries stepping up orders.

Due to seasonal construction demands, galvanized sheet heads the list of mill products showing the greatest pickup, with lead times generally quoted into June for this item and electrolytic tinplate and blackplate.

Lead time on cold rolled sheets and coils are now three to four weeks, up about one week from a (Turn to page 29, column 1)

### U.S. Antitrust Moves Plus Buyer's Market Loosening Vendors Up

New York—Industrial purchasing executives, riding the crest of a buyer's market, are forcing suppliers to revamp basic pricing strategies.

Probable upshot of the reappraisal: P. A.'s are entering a new long-term era in which suppliers will enter purchase negotiations armed with greater pricing flexibility than ever before.

- In the opinion of key industrial marketing and management experts this means former rigid "cost-plus" methods of tagging industrial products will be pushed farther back on the shelf. And back with them would go the "nobody-but-nobody-undersells-us" technique.

- In place of those extremes, purchasing departments can expect to find suppliers more readily adaptable to pricing changes but without the wide swings up and down that might be expected from rapidly changing supply and demand conditions.

Just as buyers are arming themselves with timelier data on markets, products, and costs, so will suppliers depend on more efficient information-gathering techniques. The idea is to establish a stronger measure of price stability, but at the same time allow for flexibility that will permit adequate profit margins even while adapting more easily to current supply and demand changes.

These are some of the points made at recent industry sessions in which soul-searching reappraisals of basic pricing policies were chief agenda items. All the (Turn to page 30, column 1)

This Week's

## Purchasing Perspective

MAY 8-14

Almost any analysis of the knottiest problems that daily confront the purchasing executive puts cost reduction in purchased materials and components and in departmental operation at the head of the list.

That is the situation prevailing at the end of the 1960-61 recession; and to a large extent it explains why value analysis, while long a recognized tool of up-to-date purchasing departments, finally has become so fashionable as to reach contractual requirement status (see story above).

The NAPA through its vigorous VASCO committee in recent years has been the leader in spreading the gospel of value analysis. Within the past 2½ years the tremendous possibilities in the field have excited the imagination of a number of bright young men, and we have seen the establishment of a group of private consulting firms—notably Value Analysis, Inc. and more recently Value Programs for Industry—that have stepped in to fill a growing need for instruction in basic VA techniques.

Now, advocates of value analysis-standardization programing are about to move into broader fields embracing the entire area of (Turn to page 29, column 4)

## P/W PANORAMA

- Rockwell Mfg. Co. Buys Transportation just as it does any material used in its manufacturing processes. The spread on pages 16 and 17 tells about Rockwell's nationwide network of traffic buyers and about its successful traffic manual.

- Disposing of Scrap is usually the P.A.'s job, and scrap prices are of more than academic interest. 'Professional Perspective' on page 12 offers some ground rules for disposing of scrap and some hints on how to get the best price.

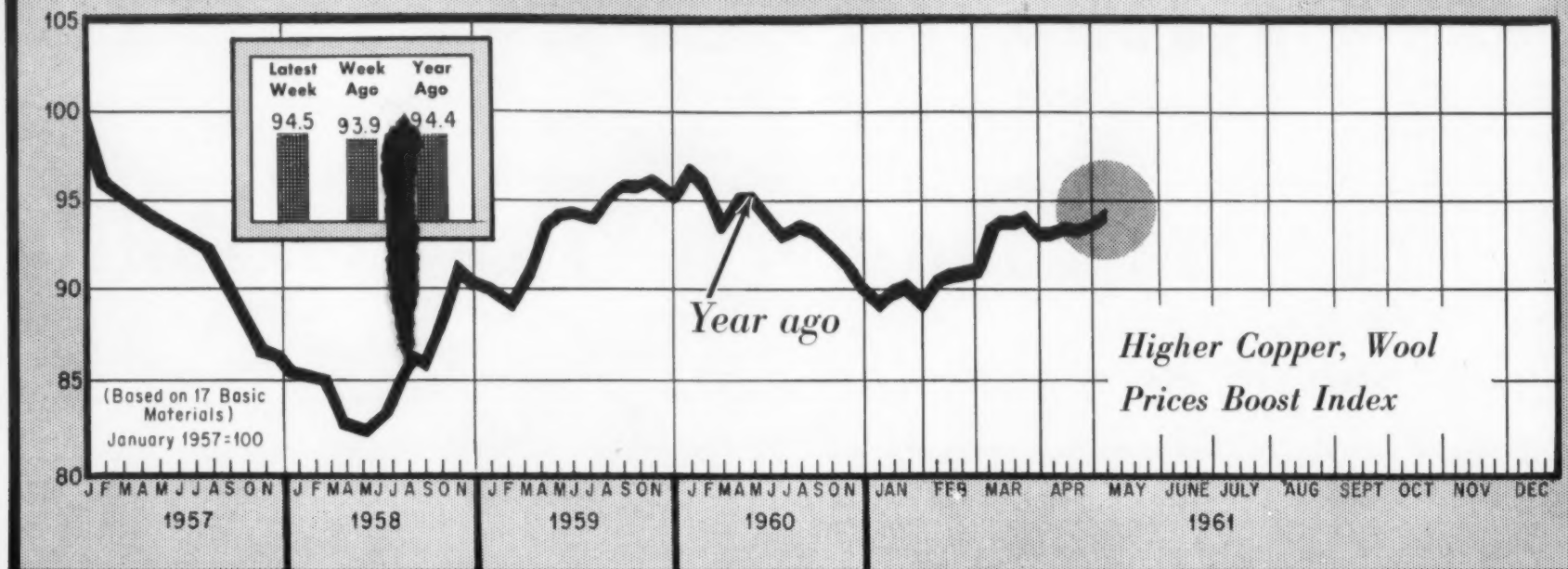
- The Upturn in the Gross National Product is particularly significant this year because of the current high rate of unemployment. The story on page 14 assesses this upturn and its possible effect on the rate of joblessness across the nation.

- New Materials and New Treatment of Old keep coming onto the market to help make processing easier. 'Product Perspective' on page 23 discusses the merits of the latest offerings by aluminum, steel and plastics producers.



## Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



## This Week's Commodity Prices

	May 3	Apr. 26	Year Ago	% Yrly Change
<b>METALS</b>				
Pig iron, Bessemer Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.98	5.98	5.975	+ .1
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Aluminum, pig, lb.....	.26	.26	.26	0
Secondary aluminum, #380 lb.....	.217	.219	.25	-13.2
Copper, electrolytic, wire bars, refinery, lb.....	.289	.286	.326	-11.3
Brass, yellow, (sheet) lb.....	.481	.481	.506	-4.9
Lead, common, N.Y., lb.....	.11	.11	.12	-8.3
Nickel, electrolytic, producers, lb.....	.74	.74	.74	0
Tin, Straits, N.Y., lb.....	1.078	1.082	.994	+ 8.5
Zinc, Prime West, East St. Louis, lb.....	.115	.115	.13	-11.5
<b>FUELS†</b>				
Fuel oil #6 or Bunker C, Gulf, bbl.....	2.20	2.20	2.10	+ 4.8
Fuel oil #6 or Bunker C, N.Y., barge, bbl.....	2.62	2.62	2.47	+ 6.1
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	2.10	2.10	2.15	-2.3
Lp-Gas, Propane, Okla., tank cars, gal. (incl. discount).....	.035	.035	.035	0
Gasoline, 92 oct. reg., Chicago, tank car, gal.....	.115	.115	.111	+ 3.6
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.103	.103	.112	-8.0
Kerosene, Gulf, Cargoes, gal.....	.096	.096	.09	+ 6.7
Heating oil #2, Chicago, bulk, gal.....	.093	.093	.088	+ 5.7
<b>CHEMICALS</b>				
Ammonia, anhydros, refrigeration, tanks, ton.....	94.50	94.50	90.50	+ 4.4
Benzene, petroleum, tanks, Houston, gal.....	.34	.34	.34	0
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut oil, inedible, crude, tanks, N.Y. lb.....	.13	.131	.168	-22.6
Glycerine, synthetic, tanks, lb.....	.273	.273	.293	-6.8
Linseed oil, raw, in drums, carlots, lb.....	.167	.167	.166	.6
Phthalic anhydride, tanks, lb.....	.195	.195	.165	+18.2
Polystyrene resin, high pressure molding, carlots, lb.....	.275	.275	.325	-15.4
Polystyrene, crystal, carlots, lb.....	.18	.18	.215	-16.3
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	15.00	15.00	14.00	+ 7.1
Shellac, T.N., N.Y. lb.....	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid, 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.08	.081	.06	+33.3
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0
<b>PAPER</b>				
Book paper, A grade, Eng finish, Untrimmed, carlots, cwt.....	17.75	17.75	17.75	0
Bond paper, #1 sulfite, water marked, 20-lb, 16-carton lots, cwt.....	25.20	25.20	25.20	0
Chipboard, del. N.Y., carlots, ton.....	100.00	100.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.50	9.50	9.25	+ 2.7
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.....	6.60	6.60	6.30	+ 4.8
<b>BUILDING MATERIALS‡</b>				
Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.20	4.20	4.18	+ .5
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.....	115.00	116.00	124.00	-7.3
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.....	126.00	127.00	139.00	-9.4
Spruce, 2x4, s4s, carlots, fob Toronto, mftbm.....	85.00	87.00	88.00	-3.4
Fir plywood, 1/4" AD, 4x8, dealer, crlid, fob mill, msf.....	72.00	72.00	66.00	+12.5
<b>TEXTILES</b>				
Burlap, 10 oz. 40", N.Y., yd.....	.140	.140	.120	+16.7
Cotton middling, 1", N.Y., lb.....	.339	.338	.342	-.9
Printcloth, 39", 80x80, N.Y., spot, yd.....	.175	.175	.208	-15.9
Rayon twill, 40 1/2", 92x62, N.Y., yd.....	.20	.20	.235	-14.9
Cotton drill, 1.85, 59", 68x40, N.Y., yd.....	.335	.335	.40	-16.2
Wool tops, N.Y., lb.....	1.630	1.600	1.460	+11.6
<b>HIDES AND RUBBER</b>				
Hides, cow, light native, packers, Chicago, lb.....	.202	.192	.195	+ 3.6
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.325	.325	.405	-19.8

† Source: Oilgram Price Service ‡ Source: Engineering News-Record

This Week's

## Price Perspective

MAY 8-14

**FIRMING METALS**—Last week's copper price boost is just part of a general firming trend in metals.

Steel, aluminum, and zinc, for example, are all reporting increased demand as the economy gradually shifts from neutral into uptrend.

• **In steel**—Output has been expanding for eight straight weeks. Current operations—over 65% of capacity—are the highest in almost a year. And, as might be expected, price concessions are fading fast. But no across-the-board price rise is likely in the foreseeable future.

• **In aluminum**—Improved demand is behind producers' decision to reactivate facilities which account for 94,000 tons annually. This should raise over-all operations from 73% to 76% of capacity. Distributors are particularly optimistic, and the general feeling is that first half warehouse shipments may run 10% above the last six months of 1960.

The sharper the improvements in the next few months, the more likely a price boost in August when aluminum wage rates go up.

• **In zinc**—Consumption soon may be running ahead of production. The former shows a 15% increase for the latest month. Output, on the other hand, continues to dwindle in the face of cutbacks which have reduced production 10% below the average 1960 pace. Metal experts see this combination of rising consumption and falling production as paving the way for a price increase later this year.

**BUCKING THE TREND**—Steel scrap is about the only major metal area that is showing signs of weakness.

All key grades are down from first quarter peaks—despite the fact that steel output is rising steadily (see above).

The reason: (1) slackening off in huge export demand, which was responsible for the recent January-March price spurt; and (2) steelmaker resistance to high prices, which is being expressed by increasing substitution of molten iron for scrap in open hearth furnaces.

**IN GOOD SHAPE**—P.A.'s still are practicing what they preach about close-to-the-vest buying policy.

They're keeping a tight rein on inventories in face of such powerful buying forces as rising production, firming prices, and increased international tensions.

Ordinarily these would make for some sharp inventory boosts. But not this time around. Data carrying up to April 1 reveals a continuing downward trend in P.A. holdings of hard good production materials. These stocks at latest reading are down to \$7.8-billion—more than 2% below March 1 levels.

Viewed in relation to rising sales, the latest stock decline sent the inventory-sales ratio down a significant 5 1/2% in just one month. It's another indication of recovery. For such precipitous drops in the past have only occurred in the early phases of a business recovery.

**ANOTHER KEY INVENTORY AREA**—Hard goods finished stocks—also continues to show improvement.

Four months of decline have left these inventories at \$10.5-billion—almost on a par with year-ago levels. That's in striking contrast to just three months ago when these stocks were 11% above a year-ago.

But what's really exciting business economists is the fact that today's relatively low finished goods inventory levels are occurring at a time when orders are rising. (New hard good orders were up 4% at latest report.)

This combination is hard to beat. For the lower the ratio of finished goods inventories to orders, the greater the likelihood that incoming business will spur new production.



## Prices of Domestic Refined Glycerine Slashed to Lowest Level in 12 Years

New York—Domestic producers cut refined glycerine prices to a 12-year low.

Shell Chemical Co. led off with a 2¼¢/lb. reduction in synthetic prices, followed up by Dow Chemical Co., and then by the producers of the natural refined material—Colgate, Lever Bros., and Proctor & Gamble.

Here is the new price lineup:

• Synthetic tankcar price for 99.5% material: 25¢/lb.; new truckload price: 26¾¢; LTL: 27½¢. Tankcar price for 96%: 24¢; truckload: 25¾¢; LTL: 26½¢.

• Natural tankcar price for CP (chemically pure) 99% material: 24¾¢/lb.; truckload: 26¾¢; LTL: 27¾¢. Tankcar price for high gravity 99%: 24¾¢; truck-

load: 26½¢; LTL: 27¼¢. Prices of CP 96% material are the same as for 96% synthetic.

This was the second move in four months to bring synthetic prices to the level of sliding European glycerine prices.

The reductions were quickly followed by cuts in crude glycerine prices. Refiners said that they could not afford to pay more than 11.2¢/lb. for 80% crude soap lye, and 13.5¢/lb. for 88% saponification.

### THIS WEEK'S SCRAP PRICES

	May 3	Apr. 26	Year Ago	% Yrly Change
Steel, #1 hv, dlvd Pitt, ton	35.00	35.00	34.00	+ 2.9
Steel, #1 hv, dlvd Clev, ton	32.50	33.50	33.00	- 1.5
Steel, #1 hv, dlvd Chic, ton	36.00	36.00	31.00	+16.1
Copper, #1 wire, dlr buy, feb NY, lb.	.240	.240	.240	0
Copper (hv) & wire mix, dlr buy, feb NY, lb.	.225	.225	.210	+ 7.1
Brass, light, dlr buy, feb NY, lb.	.125	.125	.110	+13.6
Brass, hv yellow mix, dlr buy, feb NY, lb.	.125	.125	.120	+ 4.2
Alum (cast), mixed, dlr buy, feb NY, lb.	.10	.10	.110	- 9.1
Alum (sheet), old clean, dlr buy, feb NY, lb.	.095	.095	.110	-13.6
Zinc, old, dlr buy, feb NY, lb.	.035	.035	.045	-22.2
Lead, soft or hard, dlr buy, feb NY, lb.	.07	.07	.083	-15.7
Rubber, mix auto tires, dlvd Akron, ton	11.00	11.00	12.50	-12.0
Rubber, synth butyl tubes, East, dlvd ton	6.25	6.00	8.25	-24.2
Paper, old corrug box, dlr, Chic, ton	16.00	16.00	16.00	0
Paper, #1 mixed, dlr, NY, ton	1.00	1.00	6.00	-83.3
Polyethylene, clear, dlr, NY, lb.	.07	.07	.11	-36.4

## Brown Trailer Cuts Back As Industry Sales Slump

Reading, Pa.—Clark Equipment Co. temporarily suspended production at its Brown Trailer Div. plant here because of a sharp decline industry sales.

"Industry figures indicate trailer sales for the first three months are 50% below 1960 levels for the comparable period," said T. C. Brown, general manager. He pointed out that in January-March 1960, U. S. trailer sales averaged 6,000 units per month. For the comparable period in 1961, approximately 3,000 units per month were sold.

### Price Briefs

• **Copper Sulfate**—Increases in copper sulfate—25¢/cut for crystal and 50¢/cut for tribasic—followed the metal hike. Industrial sales of the chemical are running fairly strong, and a seasonal upturn is noted in agricultural usage.

• **Mercury**—Abundant import supplies and slow demand weakened mercury prices by \$2 per 76-lb. flask.

• **Turpentine**—New York prices for turpentine fell 8¢/gal. bringing them in line with the lower price prevailing in the South.

• **Strain Gages**—Micro Systems, Inc., cut prices of its solid state stain gages by as much as 18%, citing production economies as a reason.

• **Tellurium**—American Smelting and Refining kicked off an industry hike of \$1.25/lb. in tellurium tags. Expanding demand for tellurium has put the metal in short supply.

• **Brass, Bronze Ingot**—Smelters raised prices by 1¼¢/lb. for all grades. The reason: Heavy Japanese buying is still making scrap more costly and harder to get.

(For further late price changes see page 30)

### Say When

Dallas—Houses of the future will be "poured out of a barrel," says G. Peter Oldham, vice president of Allied Chemical Corp.'s Barrett Div.

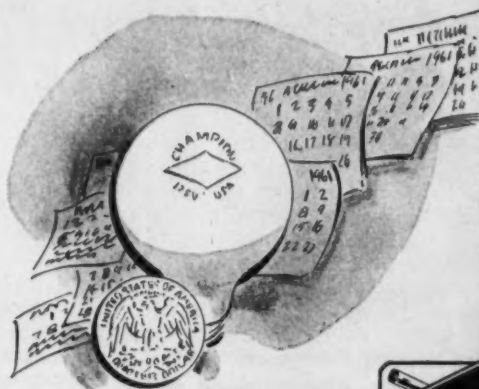
In the 1980's, according to Oldham, buyers will select a site, order several barrels of chemicals, and mold plastic panels on the spot to form the basic structure of their homes.

The Army did just that recently when it erected a structure at Ft. Belvoir, Va., of plastic panels molded and shaped from foam sprayed from a 55-gal. drum, and reinforced by spraying with polyester.

# Facts of Light!

### IT COSTS NEARLY \$2.50 TO OPERATE A 25 CENT LAMP

The electric power required to operate a 25 cent 100 watt incandescent lamp will amount to nearly \$2.50 before the lamp burns out. The efficiency with which a lamp converts electric power into usable light is an important factor in considering lamp value.



### TWO 100's WON'T DO THE WORK OF ONE 200

A 200 watt incandescent lamp produces approximately 3800 lumens. Two 100 watt incandescent lamps produce approximately 3400 lumens — about 10% less light.



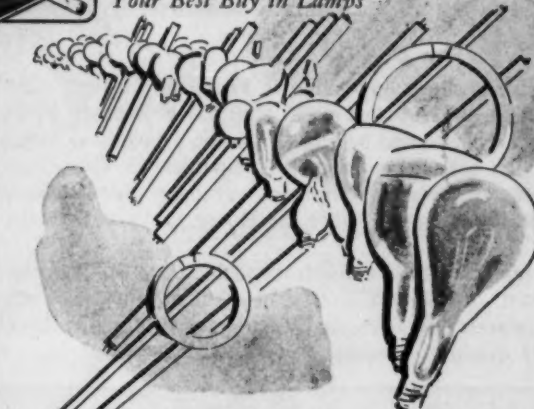
**CHAMPION**  
Lamps

Your Best Buy in Lamps



### YOU CAN CHECK YOUR LIGHTING AGAINST RECOMMENDED LEVELS FOR ALMOST 700 DIFFERENT JOBS

The Illuminating Engineering Society publishes Foot-candle Tables of Recommended Illumination (1958) for seeing tasks in many different categories and industries.



### THERE ARE OVER 3,000 TYPES AND SIZES OF CHAMPION LAMPS

More than 3,000 different Champion Lamps are available to satisfy the diversified lighting needs in office buildings, homes, department stores, ball fields, theaters, factories, shops, garages, showrooms, railroads, airports, restaurants, streets, parks, schools, and many other installations.

**CHAMPION LAMP WORKS, Lynn, Massachusetts**

CHAMPION INCANDESCENT-FLUORESCENT



# Washington Perspective

MAY 8-14

A new Pentagon budget policy should mean fewer false starts on projects, fewer sudden orders to halt work. It also is an effort to strengthen military unification and eliminate service rivalries.

The plan is designed to put the military on a long-range budget program similar to that used by most private corporations. It will work like this:

Between now and Oct. 1, Defense Dept. planners will decide which weapons systems best perform basic military missions. In strategic warfare, for example, the Air Force Minuteman missile will be compared with the Navy's Polaris. Or the Army's Pershing missile will be pitted against the advanced fighter-bomber developed by the Air Force.

Decisions will be made for the long run. Once they are made, military budgeters will begin translating them into dollars for the fiscal year that begins July 1, 1962. Budget Director David Bell wants to extend the idea to all government agencies handling research and production.

Basic disagreement with President Kennedy's plans to spur the economy is found in the Joint Congressional Economic Committee.

Democrats think he isn't doing enough. Republicans feel he is doing too much, relying excessively on government.

The views are expressed in a joint committee report on Kennedy's economic proposals. Democrats call for a lowering of interest and tax rates to spur business. Otherwise, they fear the unemployment rate of 6.8%, which showed no improvement in April, will linger into next year.

Republicans see business "well on the road to recovery" and want the government to keep its hands off.

Stronger conflict-of-interest laws to keep federal employees from wrongdoing are sought by President Kennedy. He called on Congress last week to revamp and codify the variety of statutes, some of which date from the Civil War, covering the ethics of government workers.

Kennedy's proposals are aimed chiefly at (1) providing the government with more effective weapons with which to force "high ethical standards" on present and former federal employees, and (2) relaxing obsolete or unnecessary rules which make it difficult to get qualified people in government service.

In the first instance, criminal penalties would be applied to conflict-of-interest cases in just about every type of government transaction. These would cover applications for radio and TV stations, airline routes, electric power sites, and the like. In the second case, part-time consultants and advisors would be exempt from conflict-of-interest statutes if they spend less than one-third of their time in federal service.

Kennedy's proposals stirred scarcely a ripple in Congress. They will be handled in routine fashion, with action this year rather doubtful.

The reason for business opposition to President Kennedy's tax credit plan became apparent last week. One way or another, \$1.7-billion in new revenue would be pulled into the Treasury to make up for a similar tax credit granted companies to spur their spending on new plant and equipment. Treasury Secy. Dillon made this plain in testimony before the House Ways and Means Committee.

The added tax bite would come from such as a crackdown on expense account deductions, a new withholding of taxes on dividend and interest payments, and a quicker collection of taxes on earnings of overseas subsidiaries of U.S. firms.

## Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,858	1,784	2,210
Autos, units	121,682	131,881*	144,688
Trucks, units	26,248	26,407*	28,283
Crude runs, thous bbl, daily aver	7,738	7,765	7,945
Distillate fuel oil, thous bbl	11,275	11,217	12,012
Residual fuel oil, thous bbl	5,930	5,980	6,622
Gasoline, thous bbl	27,483	26,963	27,507
Petroleum refineries operating rate, %	78.0	78.3	81.3
Container board, tons	157,645	158,723	155,811
Boxboard, tons	100,383	102,868	98,876
Paper operating rate, %	91.0	92.8*	94.4
Lumber, thous of board ft	233,426	221,882	259,688
Bituminous coal, daily aver thous tons	1,234	1,170*	1,445
Electric power, million kilowatt hours	14,254	14,311	13,300
Eng const awards, mil \$ Eng News-Rec	418.9	555.0	530.4

\*Revised

## Sweeping Attack Mapped on Transport Problems

Washington—The government will promote containerization and other means of fostering more economical through movement of freight among different transport modes.

This is part of a general attack on transportation problems outlined by Clarence D. Martin, undersecretary of commerce for transportation, in his first major policy speech, made at the 49th annual meeting of the U.S. Chamber of Commerce.

The Administration also will "seriously consider" asking Congress to impose user charges on barge lines to offset federal spending on waterways, Martin told the meeting. In addition, it will:

- Re-examine the ratemaking rule of 1958 to find a solution to the "wave of rate cutting" in the transportation industry. Currently a hot topic, this issue is the subject of a Senate bill on which hearings began last Thursday before the Senate Commerce Committee. The National Industrial Traffic League has blasted the bill, which is backed by truckers and water carriers.

- Propose sharp restrictions on exemptions from government regulation now enjoyed by truck lines which haul agricultural commodities and barge lines transporting commodities in bulk. Present exemptions are viewed as a "virtual crazy quilt."

- Seek new legal weapons for a more vigorous crackdown on private carriers illegally engaging in for-hire transportation—the so-called "gray area" operators.

The government is considering a financial assist to railroads, Martin said, by asking Congress to liberalize tax and depreciation policies. It will also seek to end discrimination by state and local governments in taxing railroads.

Martin conceded that the industry's basic ailments stemmed largely from the government's lack of an over-all transportation

policy—and he asserted that the Kennedy Administration program will constitute a new approach.

In the future, he said, "the transportation system will be viewed as a single system to be developed by government promotional and research programs, tax programs, and regulatory programs, all coordinated to give the country the fastest, most efficient, and the safest possible transportation system at least cost to the government, at the lowest economical rates to the user and at a reasonable profit to investors."

## Kennedy Outlines Program to Help Textile Firms Cope With Imports

Washington—A new seven-point program announced last week by President Kennedy may eliminate differentials in the price of raw cotton bought domestically and abroad. The differential is now 6¢/lb. but it's due to rise to 8½¢ on Aug 1.

### Highlights of Program

In announcing the program, which is designed to help textile manufacturers cope with stepped-up foreign competition, the President directed the Dept. of Agriculture to make recommendations to eliminate or offset

these price gaps. Other highlights of the Administration program include:

- **Research.** The President ordered the Commerce Dept. to start an expanded research program looking for new products, processes, and markets.

- **Depreciation allowances.** The Treasury Dept. will review tax credits on textile machinery with the prospect of increasing them.

- **Modernization.** The Small Business Administration will try to assist the industry by offering financing aid for modernizing.

- **Federal assistance.** The President said he will send to Congress soon his proposal to allow industries seriously threatened or injured by imports to receive government assistance in the form of low-cost loans and other financial aid.

- **Voluntary quotas.** The State Dept. will seek an early conference with major textile importing and exporting companies aimed at setting voluntary limits on textile marketing. At present, only Japan places a voluntary maximum on textile exports to the U.S., but this expires the end of this year.

The President avoided any promise of direct import control, but suggested that the textile industry press its case for relief before the Office of Civil and Defense Mobilization. Under the Trade Act's section on national security the President has wide powers to take any action necessary—such as a quota system—to protect a domestic industry if OCDM determines that a threat to national security exists.

## U.S. Seeks Voluntary Compliance By Industry on Antidiscrimination

Washington — Defense contractors and labor union leaders were told last week that the Kennedy Administration will permit no discrimination against Negroes or other minority groups in government contract work. However, Administration officials promised to seek voluntary compliance with new antidiscrimination rules rather than cracking down on violators.

In the first face-to-face meetings with both groups since the President's Committee on Equal Employment Opportunity was set up, Committee Chairman Lyndon Johnson and Vice Chairman Arthur J. Goldberg spelled out the government's new rules against bias. Government officials agreed after the closed sessions that both contractors and union officials agreed to abide by the clause in government contracts that bars discrimination against minority groups.

The first sessions—held on consecutive days with 48 major defense contractors and 42 union leaders—discussed the problems only in general terms. Specific cases of alleged discrimination and other potential trouble-spots were avoided in the closed meetings.

However, committee officials apparently have been meeting privately on at least two prominent cases. One involved charges of discrimination against Negroes at the Lockheed Aircraft Corp.'s Marietta, Ga., plant which, said Vice President Johnson, had been turned over to the Air Force that holds the government contract with the company.

A separate meeting was held with textile industry manufacturers who were reported to be reluctant to bid on government

uniform contracts because of the tougher antidiscrimination rules. Johnson said following the meeting that there was "no boycott" by the Southern textile producers.

The general sessions last week were the opening thrust of the new committee. Johnson advised the participants that "the committee can cancel contracts; it can hold public hearings; it can debar corporations from government contracts; it can go through the Attorney General to seek court injunctions."

The committee's next move will be to issue formal orders spelling out the procedures it will follow to insure compliance with the antidiscrimination contract clause. Before these are finally written, however, they will be submitted to the defense contractors for their opinions.

## ICC Okays New Bulk Rates for Rails

(Continued from page 1)

new minimums because the railroads are "critically in need of additional revenue." It admitted that the increases would be substantial on shipments of light-weight commodities but said many of the increases can be avoided by heavier loading.

ICC also refused a plea from Eastern steel companies and mining firms in the Lake Superior region that it cancel freight rate increases on iron ore put into effect by railroads last fall. The increase amounts to 11¢ a gross ton and pushes the per-ton rate to \$13.11. The commission still is considering whether to cancel an increase of 7¢ a net ton on anthracite and bituminous coal also permitted to go into effect last fall.

In action affecting small shippers, the ICC:

- Suspended and placed under investigation proposed motor carrier rate increases on LTL and any quantity shipments between the South and East, which were to have taken effect May 1.

- Set hearings for July 26 on general increases in class and commodity rates by Middle Atlantic truckers. These increases went into effect Jan. 15 but were placed under investigation.

- Voted not to suspend or investigate similar increases put into effect by New England truckers.

In all of the cases, shippers claimed the hikes would fall heaviest on small shippers least able to bear the increased charges.



**An example of Avisco Rayons in Industry**



## **Now, stronger, lighter-weight belts with Avisco XL-I rayon**

Because of fabrics made from Avisco XL-I rayon fiber it is now possible to engineer stronger, lighter-weight belts. Compared to the traditional fiber, fabrics of XL-I rayon have up to 60% greater tensile strength and 3 to 5 times the fatigue life.

XL-I rayon adheres without predipping. Flex characteristics are excellent. XL-I fabrics trough well, conform better to pulleys and rollers, readily absorb starting and shock loads. Their lighter weight requires less power for starting and running.

For help in improving your product with Avisco XL-I rayon reinforcement, send in the Quick Reply Coupon.

### **QUICK REPLY COUPON**

3-16

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## UNION CONTRACT CALENDAR FOR MAY

Industry	Employer	Union	Contract Expires	Wage Increases
Aircraft	North American	UAW	6/62	7¢-5¢/61 quarterly C-O-L Adjustment
Apparel	Various Mfgers.	ILGWU	5/61	
Instruments	Sperry Rand	IUE	5/61	Feb.-May
Lumber	Lumberman's Ind. Relation Council	Carpenters, Woodworkers	5/61	C-O-L Adjustment
Paper	Int. Paper N. Y.	Papermakers, IBEW	5/61	
Printing	Lithographers	Lithographers	4/62	\$5 per week - 5/61
Rubber	U. S. Rubber Co.	Rubber	5/61	
Shipbuilding	Newport News	Shipbuilders	5/63	5¢-10¢-5/61
Telephone	4 Bell Cos.	CWA	5/63	Wage Reopening 5/61
Utilities	Niagara Mohawk	IBEW	5/61	

## Telephone Contract Talks Eyed by Other Unions

Washington—This month's collective bargaining is a forerunner of the big show for 1961—Walter Reuther's United Auto Workers versus the auto industry. But the auto talks, which get under way next month, may be affected by what happens in the current negotiations in the telephone industry.

The AFL-CIO Communications Workers, now entering serious bargaining with the affiliates of the Bell Telephone System, are concentrating on higher pay boosts. If the telephone union

scores successfully, it could mean a higher pay demand by the auto union when its turn comes. The Rubber Workers Union this month is likely to wrap up an agreement patterned after similar settlements with other rubber producers last month—higher wages and fringes.

Reuther has already laid out his demands. He's willing to take the same 6¢ pay boost his members have been getting under the old contract—provided the industry will agree to job-saving devices in the new contract such

as the shorter work week or salaries rather than wages for auto workers. But, if the auto industry resists successfully, he may be forced to concentrate more on wages.

AFL-CIO economists, in a report on the year's bargaining outlook, anticipate "modest" wage gains for 1961. They predict wage boosts of 3%-5% (the communications workers are shooting much higher), with a general average of 8¢. This would follow the 1960 pattern.

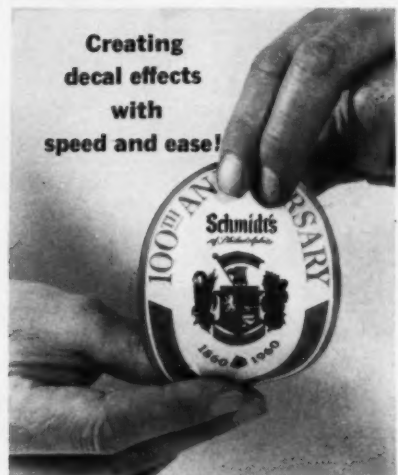
The union bargaining experts concede that the wage gains are being helped this year by the automatic increases that are being paid in long-term contracts—such as this month's 7¢ hike for Reuther's aircraft workers at North American Aviation Co. This, in effect, provides a wage floor for new settlements.

## More effective labeling and tagging!

Time was when most labels and tags were considered routine printing jobs. Those days are gone forever... The growth of self-service consumer buying has made top management realize the importance of tags and labels as selling tools at the point-of-sale... and increased the responsibility of the men who buy them.

Today, tag and label buyers look beyond first cost to the job to be done. They look for tagging and labeling techniques that increase point-of-sale effectiveness, meet difficult specifications or reduce over-all costs.

Naturally, many of these value-minded buyers look first to Dennison... originator of more new labeling and tagging techniques than any other single source. A few examples of problem-solving teamwork between buyers and Dennison are briefly reviewed here.



Beer and safety razor blades have little in common. Yet, both have profited from a labeling technique that speeds and simplifies decoration.

Schmidt's of Philadelphia celebrated its 100th anniversary as a brewer in 1960... with a Dennison split-top pressure-sensitive label playing a major role. Printed in three colors on transparent acetate and gummed with permanent Dennison PRES-a-PLY adhesive, it simulated a decal in appearance and clinging power. But, how different in application ease. No soaking in water. No sliding into position. Just a zip of its paper backing... a pat of the fingers... and there it was on an automobile or truck window. All of Schmidt's employees and distributors participated.

Gillette used the same labeling technique to redecorate thousands of counter cases when the Super Blue Blade hit the market with history-making impact in 1960. This Dennison PRES-a-PLY label was printed in red, white and blue on transparent acetate to match the "price" spots already silk-screened on the glass cover of Gillette's full-line display case. Neatly and securely applied in seconds by finger-tip pressure, it saved time and bother for Gillette salesmen as they made their promotion rounds.

Other users of this PRES-a-PLY labeling technique find it the quickest, easiest way to add new prices, premium offers and

other promotional or variable information to existing packages or displays. High-speed Dennison PRES-a-PLY label dispensers keep application costs amazingly low.

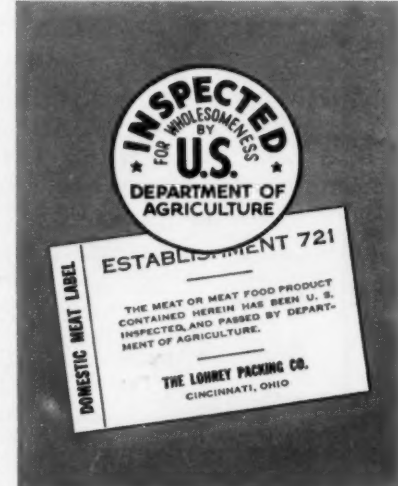
### Giving "Easy on" labels extra "Stay on" power!

Few users of labels must meet such demanding specifications as meat processors. For, the US Department of Agriculture, a strict task master, insists on meat products being permanently labeled according to its regulations for consumer protection.

Cryovac film packaging of poultry, for example, calls for the application of a USDA inspection label after the film has been shrunk tightly around the bird in boiling water. The labeled package is then subjected to hours in a deep freeze. Yet, the label must remain 100% tamper-proof. For a Tennessee processor, Dennison supplied a pressure-sensitive label with such permanent adhesion that it cannot be removed without detection. To the customer's delight, the USDA inspector gave his complete approval not only for use on Cryovac film but also on waxed paper overwraps and waxed board boxes.

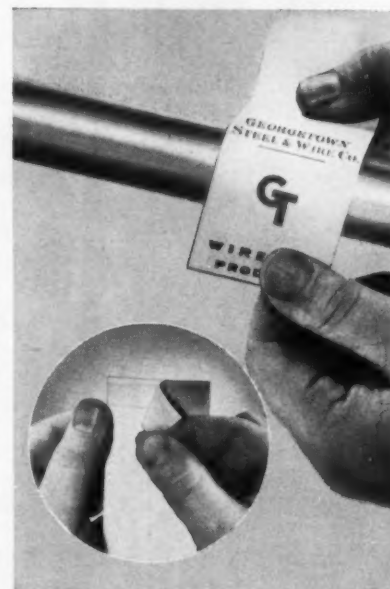
This same Dennison PRES-a-PLY labeling technique is also bringing The Lohrey Packing Co. of Cincinnati and other federally inspected meat packers the benefits of strong adhesion. USDA regulations specify the labeling of stainless steel trucks and containers for meat and meat products. Each time a truck or container is emptied, it must be thoroughly steam-cleaned before re-use. Previous labels washed off after each use and often clogged drains, causing costly plumbing bills.

Dennison solved the problem by supplying PRES-a-PLY labels with an adhesive so strong that even steam cleaning could not take it off! Printed on water-proof stock with grease-proof ink and over-varnished, these labels survive 40 washings! The Lohrey Packing Co. no longer has to worry about continually reordering and applying labels to their containers. A big headache has been removed.



If you need labels that will stay on through steam cleaning, freezing or any other harsh environment—you need permanent PRES-a-PLY.

### New stringless technique slashes tagging costs!



A stripe of self-sticking adhesive on the back of the tag is now replacing the traditional string or wire in many cases.

This new tagging technique not only reduces attaching costs but also brings the benefits of tagging to products formerly considered impossible, impractical or difficult to tag.

With the self-sticking stripe on one end, as on the back of the Georgetown Steel & Wire Co. tag, you have a new wrap-around technique. It is now increasing the point-of-purchase appeal of such widely varied products as tools, home appliances, luggage and furniture. Other users apply these tags directly to doors, windows, lumber, trunks, tires, windshields and toys.

In-plant applications of this new technique employ couponed system tags for production, piece-work and inventory control.

### NEW FACT FOLDER!

If you're responsible for getting more sales impact per dollar out of tags and labels or reducing over-all labeling and tagging costs, this free fact folder will prove invaluable to you. It describes techniques and shows samples that are now increasing sales and profits for some of America's most successful marketers. For your free copy, write directly to Dennison Mfg. Co., Dept. S291.



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FRAMINGHAM, MASSACHUSETTS

## Justice Dept. Files Suits To Bar Acquisitions By Kaiser Aluminum, Alcoa

Washington—The Justice Dept. has filed separate suits against Aluminum Co. of America and Kaiser Aluminum & Chemical Co., charging that recent acquisitions by the two firms gave the integrated companies an advantage over independent companies. The suits asked that:

- Aluminum Co. of America be required to divest itself of an aluminum fabricator, Cupples Products Corp., St. Louis, which it acquired in January.

- Kaiser Aluminum & Chemical Co. be stopped from acquiring Kawneer Co., Niles, Mich., for which Kaiser is to pay about \$29-million in Kaiser shares.

- Kaiser be required to divest itself of U. S. Rubber Co.'s Wire and Cable Dept. in Bristol, R. I., which it acquired in 1957.

The government claimed that the acquisitions lessened competition by giving the acquired companies advantages over firms not connected with integrated aluminum producers.

Kaiser replied that the Kawneer acquisition "would increase competition in the already highly competitive" architectural products industry.

## GSA Throws Out Bids On Three Rare Metals

Washington — The General Services Administration rejected bids on about 26,937 troy oz. of osmium powder, 308,755 troy oz. of rhodium sponge and 50,790 troy oz. of ruthenium powder, and said it will accept new purchase offers until May 15.

The GSA said no acceptable offers for the materials were received at a recent bid opening when the highest prices bid were \$47.69/oz. for the osmium; \$127.57/oz. for the rhodium and \$34.89/oz. for the ruthenium.

The GSA also asked for bids by June 19 on surplus chromite materials now in storage. The offer includes about 46,138 long tons of chrome bearing materials and about 151,000 lb. of ferro-chromium alloys.



## Rise in Imports Driving Residual Oil Tags Down

**New York**—Moves by the government to drive residual oil prices down by raising import quotas and broadening eligibility requirements for importers are beginning to take effect.

With imports of residual to the East Coast hitting a new high in March—following a 100,000 bbl./day boost in import quotas—these stocks right now are some 3-million bbl. above year-ago levels.

The increased inflow also made for less demand for the heavy oil from the Gulf Coast—the supply source that supplements imports to fulfill East Coast residual needs. As a result, Gulf prices went down 10¢/bbl. to \$2.20 at the end of March.

"But current inventory shouldn't drive prices down much further," one top oil company executive told PW. "Residual stocks aren't excessive when you consider that last year they were on the low side. However, the present import quotas will make for rising residual inventories, and, if the quotas aren't lowered for the third quarter, you'll see prices going down on the East Coast and even more on the Gulf."

And pressure is growing to keep import quotas from being lowered. The most recent move was the disclosure by Lee Loevinger, chief of the Antitrust Div., that the Justice Dept. is probing possible antitrust violations. At the same time, New England congressmen have been urging the government to drop import quotas altogether, and one of them, Rep. Bradford Morse (R-Mass.) has even intimated that the quotas themselves might be violations of the antitrust laws.

What directed government attention to the heavy fuel situation was the prolonged rise—amounting to about 10% (see chart)—in residual prices over the past year.

Oil executives claim the price rise resulted from a drop in resid-

ual supply brought about by cutbacks in crude oil production, and aggravated by growing West Coast dependence on low residual content crude from Canada.

The price outlook in other sectors of the petroleum industry shapes up as follows:

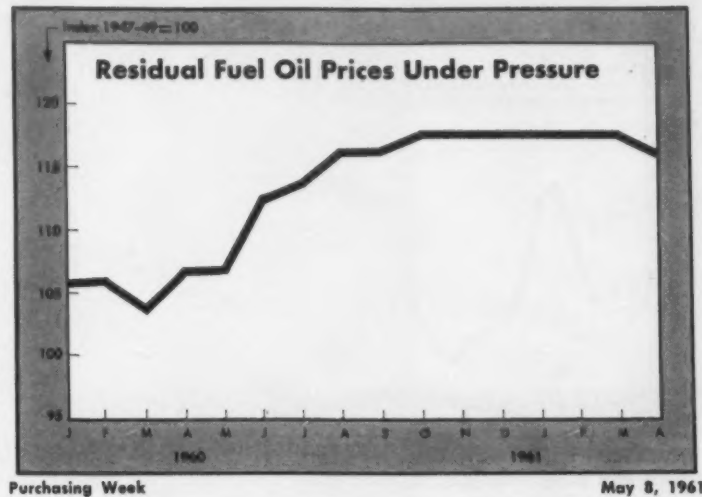
• **Distillate fuels and kerosene:** These prices are close to their annual lows and shouldn't go down much further.

As one big oil company put it, "With Gulf quotes for No. 2 heating oil at 8½¢/gal., you won't find refiners directing much of

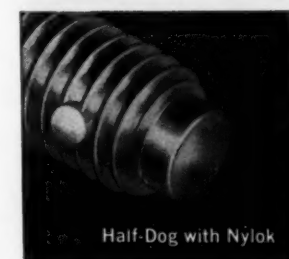
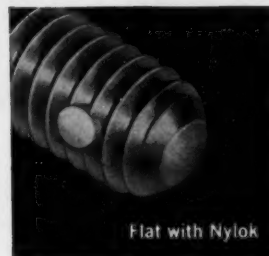
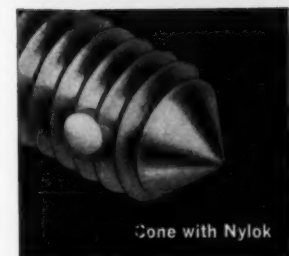
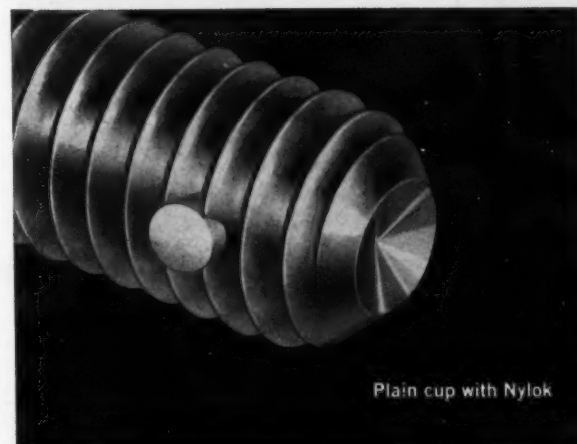
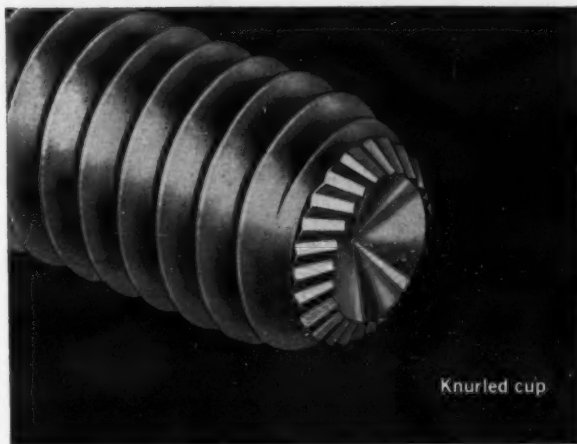
their production towards distillates. The price may drop another ¼¢ but it shouldn't go any lower than that."

• **Gasoline:** Gasoline prices should firm, but whether the usual seasonal price rise will be forthcoming depends on whether refiners hold back on their output.

"If their good first quarter earnings keep oil companies from continuing to whittle down their high gasoline inventories," remarked one industry expert, "prices aren't going to realize their full seasonal increment."



## When the question is socket set screws, UNBRAKO has the selection—and the value!



Buying socket set screws today is no job for the uninitiated. Brands are one consideration; points and locking devices another; and quality yet another. Regardless of your set screw requirements, UNBRAKO is the one source that can meet them.

**UNBRAKO with Knurled Cup Point.\*** Ideal where quick and permanent location of gears, collars and pulleys on shaft is called for, this set screw is at least *five times as vibration resistant* as its closest competitor.

**UNBRAKO with Plain Cup Point and Nylok.†** Also self-locking, this set screw—owing to the resilient nylon pellet—locks securely in place whether seated or not. Use it against shafts too hard for the knurled cup point to bite into or where fine adjustments must be held.

**UNBRAKO Cone, Half-Dog, Flat and Oval Points.** For those applications in which neither the knurled cup point nor the plain cup with Nylok will suit, UNBRAKO offers the following point types:

- **Cone**—for permanent location of parts; as a pivot in machine design (when point has hardness of at least RC 45); for making fine adjustments over a limited distance.
- **Half-Dog**—for permanent location of parts; in place of dowel pins; against hardened members or on hollow tubing when Nylok insert is also used.
- **Flat**—for frequent resetting of one machine part in relation to another; as an adjusting screw for fine linear adjustments; where wall is thin; on top of plugs made of soft material.
- **Oval**—for frequent adjustment without excessive deformation of part against which it bears. Also for seating against angular surface.

To build in a guarantee of locking, you will want to order the Nylok feature for all set screws except those with the knurled cup point.

• • •

All UNBRAKO High Torque set screws, regardless of point type or locking device, have tightening torques as much as 40% higher than those for ordinary set screws, thanks to deeper sockets, fully formed threads, and precision heat treatment to eliminate brittleness and decarburization.

UNBRAKO socket set screws are available in sizes #0 through 1 in. in alloy and #0 through ½ in. in stainless steels. Your authorized UNBRAKO distributor has a complete range of sizes at all times. You get what you order—fast. For booklet on UNBRAKO High Torque Set Screws write to Standard Pressed Steel Co., INDUSTRIAL FASTENER DIVISION, SPS, JENKINTOWN 48, PENNSYLVANIA.

\*Standard, at no extra cost

†T.M. Reg. U.S. Pat. Off., The Nylok Corporation

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where reliability replaces probability

## Postmaster General Asks Higher Parcel Post Rates

**Washington**—Postmaster General J. Edward Day notified the ICC that he plans to seek higher parcel post rates. He also increased, on his own authority, fees for non-first class special delivery service and money orders, effective July 1.

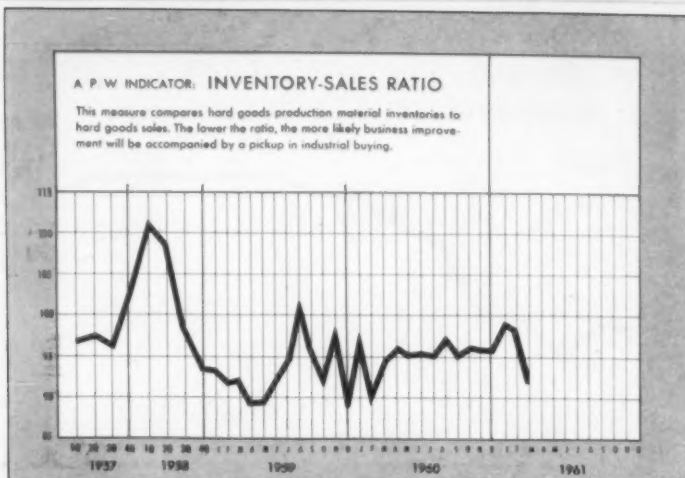
Day did not spell out the schedule of parcel post increases he will seek.

Though the ICC must pass on parcel post rates, it usually grants whatever the Postmaster General seeks. Under law, the Post Office is required to ask for increases on parcel post whenever costs exceed revenues by more than 4%. The last increase, granted in February, 1960, amounted to 17%.

Special delivery fees on all classes of mail except first class will go up to 10¢ per letter or package. This means increases to 55¢ on items of 2 lb. or less, 65¢ on items from 2 to 10 lb., and to 80¢ on items weighing over 10 lb. The increases are expected to yield \$2.5-million annually.

The money order increases are expected to provide \$5-million yearly. Under the new schedule, money orders up to \$10 will cost 20¢; \$10-\$50, 30¢; and \$50-\$100, 35¢.





**INVENTORY SALES:** Sharp dip stemming from a combination of falling stocks and rising sales puts the ratio at the lowest point in 13 months.

## Air Force Underscoring Procurement Training

**Washington**—The Air Force has stepped up its training program for both military and civilian personnel engaged in contract negotiations.

Asst. Secy. of the Air Force for Materiel Joseph S. Imirie told the House Armed Services Investigations Subcommittee that in the past 18 months over 1,500 procurement officials attended special courses at the Air Force Institute of Technology, Dayton. The courses, conducted primarily by faculty members of Ohio State University, last eight months and

include classes on: prices, principles of buying, techniques of negotiations, case studies of military procurement, and the like.

Imirie was testifying at a subcommittee hearing to investigate General Accounting Office charges of overpricing by defense contractors. Both Air Force and Navy procurement officials spelled out just what they had been doing to minimize overpricing on major weapons contracts.

Other measures the Air Force has taken to root out overpricing, according to Imirie, include:

ing, according to Imirie, include:

- Expanding competition by increasing the number of potential sources in negotiating contracts for which advertised competitive bidding is not practical.

- Broadening internal audit of cost estimates and price proposals from contractors.

- Improving purchasing techniques, cost estimating procedures, and financial cost controls.

In addition, excessive inventories have been slashed, more effective controls have been clamped on overhead expenses, more effective subcontract management has been instituted, the "quality of negotiations has been improved," and the use of value engineering to reduce costs has been encouraged.

The General Accounting Office reported a total of \$60.9-million worth of estimated overcharges in 53 military procurement contracts examined in the past four years. The agency told the committee only 59% of this sum had been recovered from the contractors.

### Report Outdated

Imirie, however, said the Air Force has "recovered all that we feel we are legally entitled." He said GAO's report that the Air Force recovered only 81% of the overcharges was outdated. Chairman Hebert agreed that the Air Force has "cleaned the slate," and congratulated the service for its efforts.

Imirie said that expanded Air Force auditing of contractor cost estimates and price proposals has resulted in the "downward negotiation" of some \$520-million in cost estimates submitted by contractors during January-October 1960.

Vice Adm. G. F. Beardsley, chief of naval materiel, also reported a wide-ranging tightening up in Navy controls in procurement.

Beardsley said that of \$9.3-million in excess costs charged by GAO in 14 Navy contracts, the Navy has recaptured \$4.6-million from the contractors and "anticipates" recovery of the remaining sum.

## Courtaulds Revises Price Of Filament Rayon Yarns

**London** — Courtaulds, Ltd., has changed the prices of viscose filament rayon yarns—raising some and lowering others. Lost in the shuffle was the 1/2¢/lb. premium which dull yarn had over bright yarn.

Both British Enka, Ltd., and Kirklees, Ltd., revised their lists to correspond with the new Courtaulds prices.

Fine denier prices were increased 1¢ on bright yarn and decreased 1/2¢ on dull yarn. Prices now are 96.2¢ for 55 denier, 92.7¢ for 75 denier, 81.6¢ for 100 denier and 78.1¢ for 120 denier. Medium deniers are up 1 1/2¢ on bright yarn with dull yarn unchanged, resulting in prices ranging from 71.7¢ to 59.5¢ according to denier. Coarse deniers of 500-2000 are up 1/2¢ on bright and down 1¢ on dull, resulting in a price of 58.3¢ for all grades.

"We turn to the Yellow Pages first to locate items we've never purchased before,"

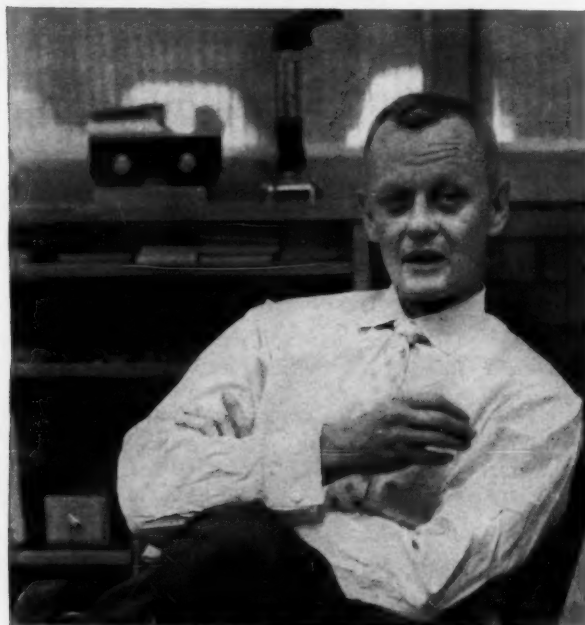
says Wes Richards, Purchasing Agent, Omark Industries, Inc., Portland, Oregon



"Many of our orders are for new items or for special kinds of equipment. We usually find their sources easily in the Yellow Pages."



"We have a number of out-of-area Yellow Pages directories on hand—to help us locate the whereabouts of various sales offices."

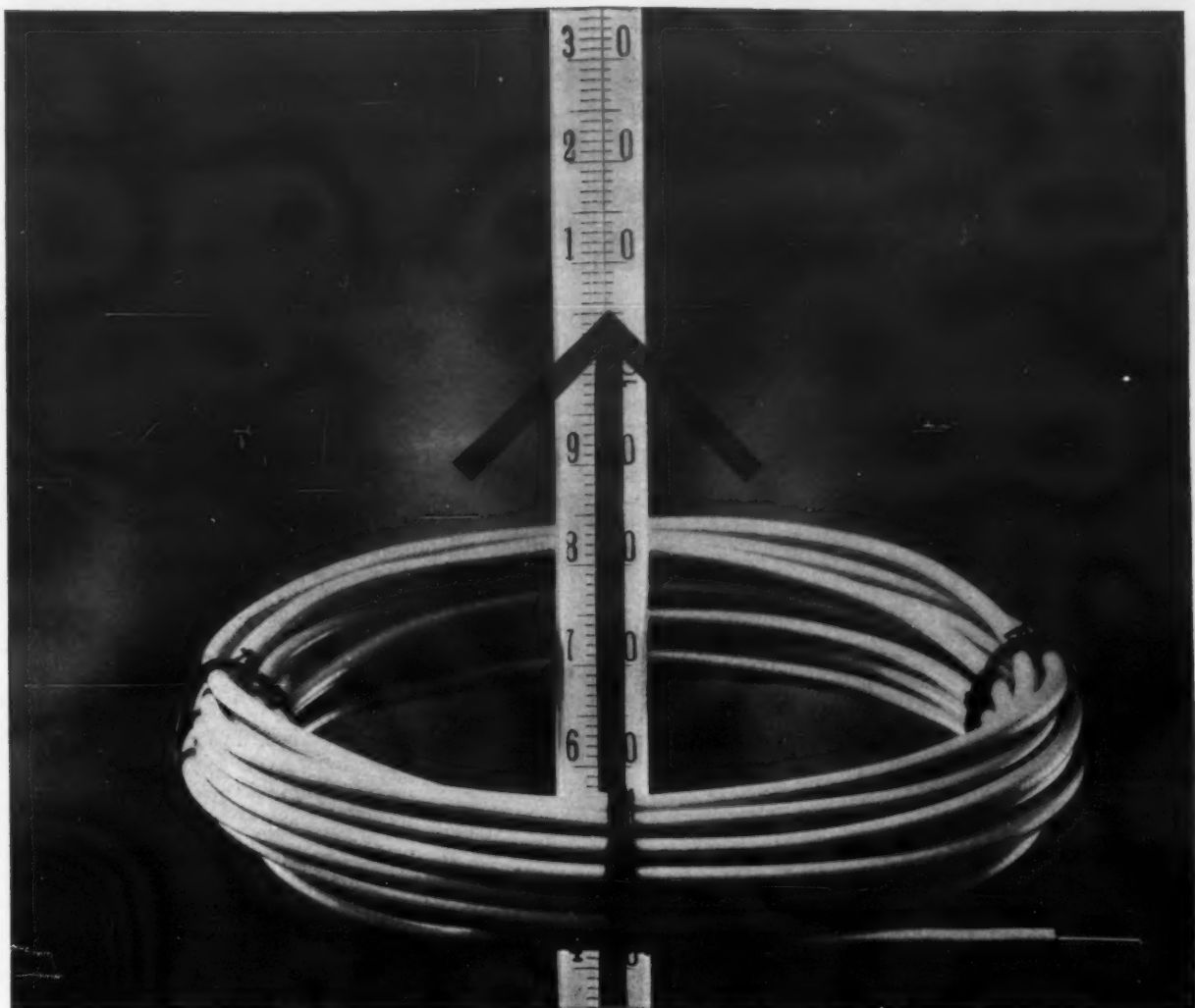


"The ads under various Yellow Pages headings give us a lot of essential information that helps us in our purchasing."



"Recently, we needed an expert on government packaging requirements, and found him easily—through the Yellow Pages."





## NOW...IMPROVED VOLATILITY CHARACTERISTICS IN A PLASTICIZER

New material is designed for wire insulation up to temperatures of 105° C

"Elastex" 26-P Plasticizer (Di-tridecyl Phthalate) is a new light-colored phthalate ester of keen interest to the vinyl compounder—particularly in the production of wire insulation for use at extremely high service temperatures.

The unusual combination of properties possessed by "Elastex" 26-P Plasticizer is especially useful in wire insulation and other applications—where higher service temperatures than formerly possible with many monomeric-type plasticizers are required.

Allied Chemical's recommended procedures for incorporation of "Elastex" 26-P in high temperature wire assure you of optimum working characteristics, reduced costs

and elimination of more expensive materials.

The following chart indicates performance:

ACCELERATED AGING, 7 DAYS AT 136°C	UL Spec. Subject 758 Min.	DDP	Polymeric	26-P
Retained Tensile Strength, %	65	250	93	108
Retained Elongation, %	65	0	98	90
Volatility, % wt. loss	—	17.1	2.2	6.0

Allied Chemical is glad to assist in improving your products with "Elastex" 26-P Plasticizer or the many other Allied Chemical Plasticizers. Call our representative or write us direct for samples and technical data.

**MR. PURCHASING AGENT:** For your convenience we've listed Plastics Division products by the industries they serve. You can always rely on the leader in coal-tar chemicals for fast, dependable supply and unsurpassed quality.

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Alpha methylstyrene  
Anthracene  
Benzol  
Carbon pitch  
Cresylic acid  
Cumene  
Cumylphenol  
Ethylbenzene  
Glycol  
Industrial coatings

Phenol  
Phthalic anhydride  
Tar acids  
Tar bases  
Toluol  
Xylol

**METAL**  
Aluminum pitch  
Carbon pitch  
Flotation agents  
Industrial coatings  
Pickling inhibitors  
PLASKON Coating Resins  
Foundry resins  
POLY-LEASE 77 Mold  
Release Agent  
Protective paints and coatings  
Solvents

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and LACQUER**  
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Acetone  
Benzol  
CUMAR Resins  
ELASTEX Plasticizers  
Glycol  
Hi-Flash solvent  
Phthalic anhydride  
PLASKON Coating Resins  
Alkyd resins

Maleic resins  
Melamine resins  
Modified phenolic resins  
Silicone-alkyd resins  
Styrenated alkyd resins  
Urea resins  
Toluol  
Xylol

**PAPER**  
A-C Polyethylene  
CUMAR Resins  
ELASTEX Plasticizers  
Fiber conduit pitch  
Glycol  
PLASKON Urea Resins  
Solvents  
Tar acids

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Pipe line enamels  
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coatings  
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Tar acids

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Acetone

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A-C Polyethylene Pipe  
Compound  
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Melamine molding  
compounds  
Nylon molding and  
extrusion compounds  
Phenolic resins  
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Tar acids

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## P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

### Pay and Profits

Is there a correlation between a company's profits and the way it rewards its executives?

Arch Patton, of McKinsey & Co., has written a book ("Men, Money, and Motivation," McGraw-Hill, \$7.50) to prove there is a definite connection between the two. Patton, an executive compensation specialist, maintains that many businessmen would like to believe that their employees derive more satisfaction from status symbols and the like than they do from the more tangible rewards offered by company bonus, etc.

These wishful thinkers, he argues, are guilty of the same bad logic as the motivational experts who, in their zeal to get beneath the surface, often overlook the basic truth that, as he puts it, "Money is the most flexible of motivations, hence the most useful to a skillful management."

Patton cites several industry surveys to prove his point. One, a study of large companies in 13 industries, showed that top-paying firms "doubled the average profit gain and had more than ten times the profit increment of the poorest paying companies." Another survey compared the performances of 100 companies that paid bonuses to 100 that did not, and found that the bonus group racked up a 104% profit increase in a ten year period against 52% for the non-bonus group.

The studies also revealed that rewards varied widely between industries, depending upon the amount of decision making involved. Thus, in highly competitive industries, such as chemicals, automobiles, department stores, steel, textiles, and appliances, the compensation was much more generous than in relatively stable industries, where key decisions are few and far between.

### One Man's Meat

One man's lead pencil is another man's barometer. Eberhard Faber's marketing vice-president, John D. Horne, thinks that pencil sales over the years have been accurate business indicators.

"Everything starts with an idea," he said recently in Los Angeles. "The next step comes when the man with the idea starts to communicate it to someone else. If he does it at lunch, he whips out a pencil and makes jottings on a menu card or tablecloth. And from here on it develops not only into more lead pencils and pens and adding machines, drafting boards and desks, but into hundreds of industrial products."

Horne admits that the ideas motivating the demand for lead pencils may not manifest themselves into ultimate products for two or three years. Pen-

cil sales of \$35-million in 1960 indicated that the national business curve is on a protracted upward swing, according to Horne. Purchases of other equipment are now being stimulated, a trend that will continue for at least the next two or three years.

By that time the idea which began last year with a lead pencil sketched on a table cloth will evolve into end product hardware. That is, assuming the idea's progenitor hasn't been clobbered over the head by an irate restaurant owner.

### The Board of Directors

Can a top manager do as good a job as a member of his firm's board of directors as an outsider—or will he tend to favor the policies of the corporate hierarchy (of which he is part) over the interests of the stockholders whose overriding concern, after all, is in getting bigger dividends?

That's the issue raised by Prof. Robert E. Kennedy, Jr., of the University of Arkansas and Rhea H. West, Jr., Massachusetts Institute of Technology in an article in Advanced Management magazine. The question is an urgent one, the authors point out, because as a result of the present separation of management and ownership, "the board of directors have evolved into a sort of trustee for society, attempting to harmonize corporate objectives with the sometimes conflicting interests of public opinion, consumers, suppliers, employees, stockholders, and government."

The trend in industry today, according to the authors, is toward having more rather than less managers on the board. In a survey of 17 major industries, they found that 12 had a preponderance of companies in which the director "mix" was heavily in favor of the managers, three in which the majority of companies were run by outsiders, and two where the balance was even. Among the industries favoring insiders were most metal working and electrical manufacturing companies, the chemical and petroleum industries, rubber products, and office equipment. Outsiders mostly were on the boards of utilities, banks, and insurance companies.

In discussing the pros and cons of the matter, Rhea and West, although careful not to take sides, note that there are sound reasons for the current preference for insiders. The best argument for the manager, they explain, is that he is thoroughly familiar with the company's problems, and as a member of the in-group is more likely to get the wholehearted cooperation of his colleagues and his employees than if he were a rank outsider.

## WHAT VALUE ANALYSIS CAN DO FOR YOU



**OLD METHOD:** Floor polisher was held in place in corrugated carton by full-sized scored sheet which rested on a bulky wood base and reached to the top of the pack.



**NEW METHOD:** Scored sheet was eliminated by using flaps to hold polisher at top and designing special slotted insert for the bottom. Wooden base was simplified.

Source: Clarke Floor Machine Co., Muskegon, Mich.

### TECHNIQUE: Redesign cartons

o simplify packaging.

**SAVINGS: Packaging Cost Cut 48% (\$4.29 to \$2.21)**

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## PURCHASING WEEK ASKS . . .

*Do you advocate the use of blanket orders and, if so, on what basis?*

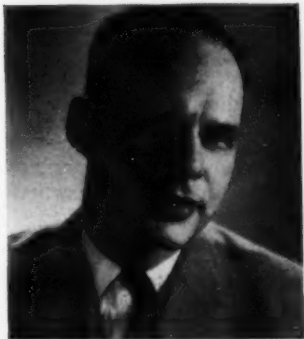


**G. F. Newton, purchasing agent, Coca-Cola Bottling Co. of Los Angeles:**

"Yes. Based on first-quarter figures alone, we issued a total of 1,976 purchase orders, of which 752 were on what we term 'Master Order Plan.' Regardless of word preference, however, such a plan is essential to the effective handling of repetitive MRO items. For example, we purchase for maintenance alone on a fleet of 500 pieces of equipment, together with an extensive cooler service department, and the plan not only saves cost but time. This is verified, for example, by a 38% typing reduction—plus an increased simplicity in placing orders and, at the same time, maintaining effective controls."

**E. P. Kron, assistant director of purchasing, Kodak Park Works, Eastman Kodak Co., Rochester, N. Y.:**

"We use them on an annual basis. We secure better service—faster and few deliveries, better prices and reduce paper work, interviewing of salesmen, and routine purchasing effort. Of course, this also results in lower inventory which reduces warehouse supply requirements and releases capital funds. We feel blanket orders are mutually beneficial to us and the supplier. Their use frequently results from value analysis and standardization studies."

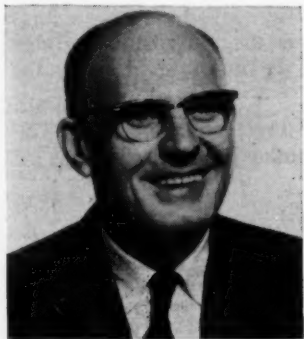


**L. A. Larson, purchasing officer, Evening Star—Sunday Star, Washington, D. C.:**

"We use blanket orders when prices can be lowered substantially by a larger commitment, with deliveries and billing scheduled over a period of time. Periodic deliveries also reduce the amount of storage space required. Additional benefits are better money management and a reduction in the cost of placing orders. Blanket orders, because of their automatic operation once they are in effect, are easily forgotten and can get out of tune with changing requirements. This can be prevented by specifying a definite order termination point to insure periodic review."

**J. F. Jackson, director of purchases, Modern Displays, Inc., Detroit:**

"Yes we do issue them, but limit their use to a group of suppliers who furnish us with standard items or services on which a fixed contract price has been previously established. In all other cases, we issue our regular purchase order as a means of protection for the supplier, as well to provide us with a method of projecting our accounts payable requirements."



**J. J. Donahue, purchasing agent, Miller Co. (lighting fixtures), Meriden, Conn.:**

"We place blanket orders for some repetitive MRO items and some components. The MRO items are billed at competitive prices, date of shipment. Inasmuch as these are 'off the shelf' items, orders are subject to cancellation. The orders for components are generally items produced from our dies and molds and are billed at quoted prices. We request ample notice when price changes are contemplated, and if cancellation is necessary, we are obligated only for released material."

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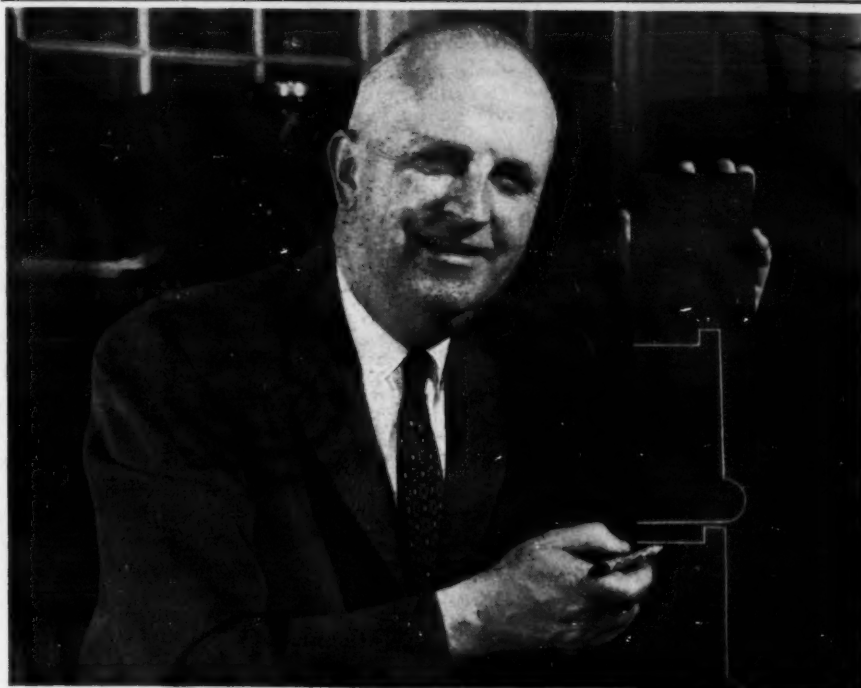
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## PROFESSIONAL PERSPECTIVE



**CONSULTANT ROBERT C. KELLEY**  
Former Director of Purchases, Dresser Industries  
Interprets This Headline

From P/W's April 10 Issue  
**Scrap Prices Rising;  
P/W to Keep Weekly Tally**

**T**he purchasing agent's interest in the scrap market is more than academic. Scrap prices often are the barometers which forecast raw material trends; the P. A. has historically been the man in the organization to dispose of scrap; and P. A.'s in many industries both buy and sell this vital material.

In small and medium-sized companies where income from scrap sale is not over \$100,000 a year the P. A. usually handles it himself. When the revenue reaches \$250,000 or more, a full-time scrap specialist may be needed. For example, in the steel companies, where purchase of scrap is a major raw material, a group of specialists with a fully integrated section of the purchasing department do the job.

In many companies, the annual income from the sale of scrap more than pays

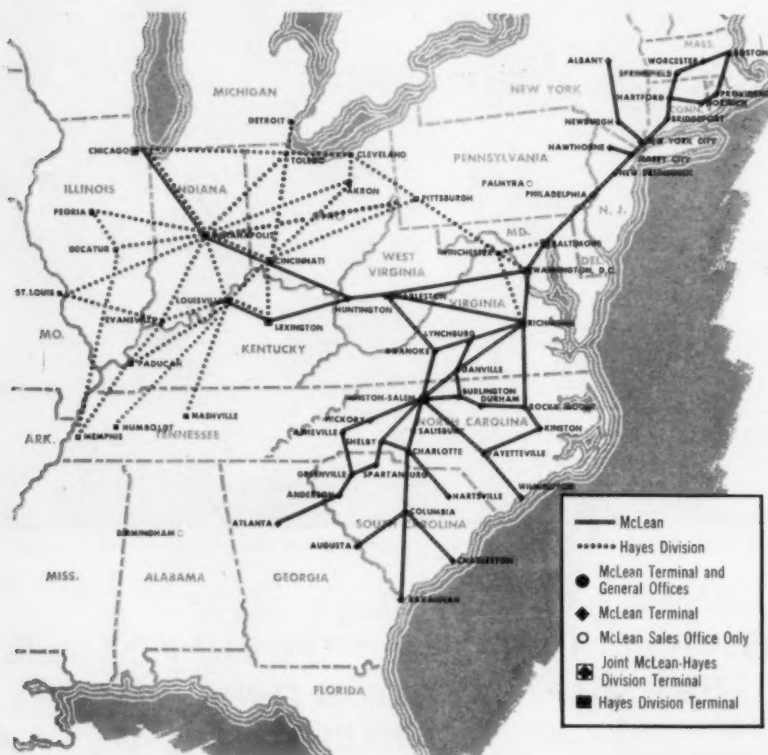
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for the operating cost of the purchasing department, and many purchasing agents are able to show an additional profit by selling their waste material at higher than the published market prices.

However in any company, no matter how small, if less than \$10,000 a year is received from the sale of scrap, the situation may require investigation.

Obviously, the P. A. needs full cooperation from all operating departments to do an outstanding job of scrap disposal. Unfortunately, most operating managers view scrap as something which gets in the way, and should be thrown out. The P. A.'s first job is to show management that scrap disposal is not a chore but an opportunity for profit. This may mean a searching look at metalworking, molding, fabrication and packaging processes to spot sources of scrap generation. Of course, operating men and engineers should be in on these surveys.

The way to figure lost scrap profit is to estimate how much scrap is generated, and compare this with the price you could be getting for the materials. Use P/W's weekly scrap prices for a guidepost. A careful analysis of the costs of collection, preparation, broker's fees, and freight can determine accurately whether the local prices you receive at the plant are in line with the national markets, too.

**Also periodic visits to the scrap pile may uncover defects in the specifications of the materials you are buying and point the way to doing a better job of buying.**

Top prices for scrap require careful in-plant handling of the material to prevent loss or contamination. This includes:

- Adequate collection devices such as clean barrels or tote bins.
- Materials handling equipment to carry containers to a central collection point.
- Separate bins for segregation of scrap by type and grade.
- Weighing equipment for accurate computation of weight.
- Baling presses or other devices for packaging.
- Platform and crane facilities for loading on trucks or railroad cars.

**In addition, there should be pilferage controls and internal auditing checks on the scrap account books since much industrial thievery takes place in scrap.**

Industries which create a steady flow of process scrap have all of the above equipment. Some of them have waste control departments that keep an accurate tally on the percentage of scrap in production operations, and devise ways and means to utilize available material to the fullest extent. Cutting of small parts from scrap sheet metal, and garment and shoe parts in the textile and leather fields are good examples of this.

Other types of scrap stem from obsolescence and spoilage, and take longer to accumulate, hence are harder to grade and sell. The railroads have done an outstanding job in this field.

Containers are a fertile field for additional revenue. Returnable containers, of course go back to the vendor for credit. But nonreturnable containers, particularly if they are clean and in good condition, bring a ready market.

In general, there are two types of outlets for scrap disposal—the dealer and the broker. The dealer is usually a local operator with a yard and processing equipment who buys up accumulations from smaller companies, performs the segregation and packaging functions, and often has access to the customer's plant, where he performs what amounts to a janitor's function.

**Many companies think they save money by allowing local dealers these privileges, but they are exposing themselves to pilferage and receive far below the market for their scrap in many instances.**

The scrap broker operates with the large consumers and usually handles scrap in carloads for which he contracts with volume producers of scrap. His fee is low, usually about 50¢/ton. Very little scrap is sold direct from producer to consumer, although certain desirable grades may be earmarked for particular users who find them more suited for their use and often will pay a premium over market for them.

Most purchasing agents have found that the best way to sell their scrap is to create competition for it, and take bids from at least three sources for stated periods. Depending upon the trend in the market, they may contract to sell their accumulations of specified grades for a month, a quarter, or even a year. Some of these contracts are pegged to published market prices for certain areas, particularly on the long term contracts. One of our divisions at Dresser did an outstanding job in finding a market for its steel scrap (which was uniform in size and grade) and selling it at a premium over the published *Iron Age* Buffalo price, f.o.b. cars their plant, which meant the buyer had to pay the freight to destination.

This monthly report shows how profitable scrap segregation can be. The price over and above the Buffalo price shows how good a job you are doing:

Buyer of Scrap	Type of Scrap	Gross Tons Sold	Dresser	Highest	Per Ton Diff.	Profit Above Market Price	Total Dollars Rec'd.
			Sales Price Per Ton	Buffalo Price Less Frt.			
Jones Pipe Co.....	Plate 2' & Under	67.9018	\$42.50	\$37.55	\$4.95	\$336.11	\$2,885.83
Jones Pipe Co.....	" " "	62.1429	42.50	38.55	3.95	245.46	2,641.07
ABC Mill, Iron Co...	" " "	57.5873	42.50	37.55	4.95	285.06	2,447.46
Smith Co.....	X-Misc.	12.7188	67.20	24.55	42.75	543.73	854.70
ACE Scrap Yard, Inc.	Misc.	64.9554	36.17	25.55	10.62	689.83	2,349.44
ACE Scrap Yard, Inc.	Turnings	37.3661	14.05	13.55	.50	18.68	524.99
		302.6723				\$2,118.87	\$11,703.49

X—This was a mixture of odd plate and bar sizes, of no use to Dresser. It was necessary to dispose of as scrap, but we did so at a premium.



Mr. Roytype says:



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## GNP Outlook Augurs Persistent Unemployment

**New York**—Current upturn in gross national product (GNP) has all the experts guessing: How big a rise by year-end?

The answer is particularly significant this year because of the unusually high rate of unemployment. President Kennedy's advisors, for example, have said that GNP would have to rise some \$50- to \$60-billion in order to reduce the jobless rate to the postwar average of some 4%.

But nobody seriously believes such large GNP gains can be made over the next few quarters. Most economists estimate the second quarter at about \$505-billion (annual rate)—up about \$5.5-billion or 1% above the official first quarter figure.

### Slow Growth Seen

The general feeling is that a slowly accelerating rate of growth can be expected for the remainder of the year. The consensus puts the fourth quarter rate somewhere around the \$520- to \$525-billion mark (see chart above).

But that would still leave year-end GNP only about 3% to 4% above late 1960 levels. According to the experts, this would only be enough to absorb the normal increase in the labor force and employees who are thrown out of work because of rising productivity.

In other words, current GNP forecasts imply that unemployment still will be hovering around the 6% to 7% level at the end of the year. Incidentally, it's this disturbing outlook that is prompting the Administration to rush to Congress its detailed plan for helping the unemployed—via retraining and relocating.

One particularly optimistic sign, as far as the future GNP trend is concerned, is the end of inventory piling. A look at recent figures, for example, reveals that it was stock liquidation that accounted for the entire GNP drop in recent quarters.

Take the first quarter 1961. Businessmen were reducing inventories at an annual rate of \$4.5-billion. This represents a net subtraction from the over-all GNP total.

Putting this another way—without inventory piling, first quarter GNP would have been \$4.5-billion higher than it was. This would have meant a figure of \$504-billion—actually above the fourth quarter 1960 rate.

In the current quarter, no such

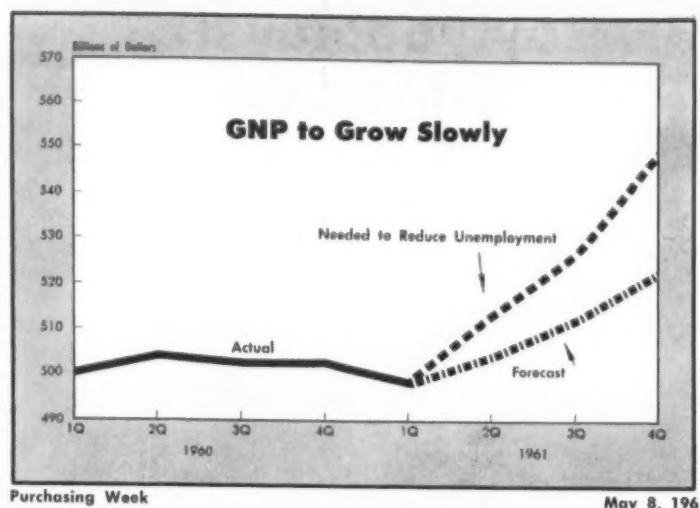
inventory drag is expected, because paring has just about ended. Thus, second quarter GNP is almost assured of \$4.5-billion boost.

Other encouraging signs are the stepups in (1) exports, and (2) government spending—both of which are bolstering GNP.

In the quarter just past, for example net exports (exports minus imports) increased to an annual rate of \$5-billion—up almost \$500-million from the

previous quarter. Import-export trade forecasts for the rest of 1961 indicate continued strength for this area.

On the government spending front—Uncle Sam spent some \$54.5-billion (annual rate) for goods and services in the first quarter of 1961—up over \$1-billion from the previous quarter. This trend is also expected to continue as the Administration tries to "prime the pump" via more government aid programs.



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## U.S. Rubber and Borden Plan Chemical Complex

**Baton Rouge, La.**—U. S. Rubber and Borden Co. will build a \$50-million chemical plant complex at Geismar, La., for converting hydrocarbons into more than a dozen chemical products.

First step will be construction of a \$20-million acetylene and vinyl chloride monomer plant by Monochem, Inc., a joint subsidiary of U.S. Rubber and Borden. The parent companies plan to erect individually owned plants adjacent to the Monochem facility, which will use its output for the production of polyvinyl chloride resins and plastics.

## Why pay a maximum minimum?

Let's say you ship 25 pounds of airfreight at a regular rate of 33¢ a pound between Los Angeles and New York. If you ship it on other airlines, you must pay their minimum weight rate based on 50 pounds, at 33¢ a pound, or \$16.50. Tigers charges you only for actual weight or a minimum of \$4.00, whichever is greater. In this case, you pay \$8.25—a 50% savings! *Another good reason for specifying Flying Tigers.*

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## Meetings You May Want to Attend

### Previously Listed

#### MAY

**Material Handling Institute**—Eastern States Show, Trade & Convention Center, Philadelphia, May 9-11.

**Edison Electric Institute Purchasing and Stores Committee**—14th Annual Meeting, Shamrock-Hilton Hotel, Houston, Texas, May 15-17.

**Design Engineering Show**—Cobo Hall, Detroit, May 22-25.

**Tool Exposition and Engineering Conference**

—American Society of Tool and Manufacturing Engineers, Coliseum, New York, May 22-26.

**American Iron and Steel Institute**—Annual Meeting—Waldorf Astoria Hotel, New York City, May 24-25.

**Electronic Industries Assn.**—37th Annual Convention, Pick-Congress, Chicago, May 24-26.

**National Society of Business Budgeting**—Statler-Hilton Hotel, Dallas, May 25-26.

**Canadian Association of Purchasing Agents**—36th Annual Purchasing Conference and Products Display, Royal York Hotel, Toronto, May 28-31.

#### JUNE

**National Association of Purchasing Agents**—46th Annual Convention and Inform-A-Show, Conrad Hilton Hotel, Chicago, June 4-7.

**Plastics Exposition**—Society of Plastics Industry, Coliseum, New York, June 5-9.

**Drop Forging Assn.**—Annual Meeting—Greenbrier, White Sulphur Springs, W. Virginia, June 14-17.

#### JULY

**Western Plant Maintenance and Engineering Show**—Pan Pacific Auditorium, Los Angeles, July 18-20.

**Institute of Surplus Dealers**—16th Trade Show, New York Trade Show Building, July 30-Aug. 2.

#### SEPTEMBER

**Pacific Intermountain PA Conference**—Hotel Westward Ho, Phoenix Ariz., Sept. 29-30.

#### OCTOBER

**NAPA, District 2**—15th Annual Southwest Purchasing Conference, Statler Hilton Hotel, Dallas, Oct. 5-6.

**Associations of the Western Building Industries Council**—1st Annual Western Building Industries Exposition, Great Western Exhibit Center, Los Angeles, Oct. 7-10.

**NAPA, District 7**—18th Annual Purchasing Conference, Atlanta Biltmore Hotel, Atlanta, Ga., Oct. 15-17.

**NAPA, District 8**—Purchasing Conference, Essex House Hotel, Newark, N. J., Oct. 25-27.

### Plastic heat deflector



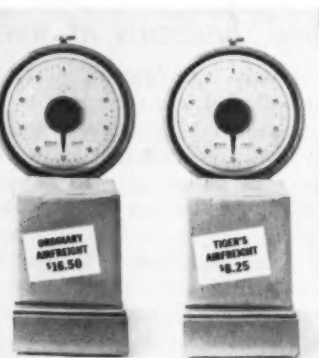
### Custom molded by CMPC

**APPLICATION:** 26-inch compression molded heat deflector for General Electric Mark 27 built-in range. Diverts oven heat from control panel—helps to insure longer, trouble-free life.

**ADVANTAGES:** The CMPC-molded phenolic part has a top continuous use temperature rating of 400 degrees F—comparable to many metals. In addition, because its satin-smooth finish is built-in, it requires no additional expensive machining.

Specify CMPC . . . custom plastic molders for over 40 years.

**CMPC CHICAGO MOLDED PRODUCTS CORPORATION**  
1020-N N. KOLMAR AVE. CHICAGO 31, ILLINOIS



A minimum minimum is only one reason to specify Tigers on your purchase orders. Our new low rates is another.

Then there's Tigers' nationwide teletype system. It keeps tab on your shipments from the moment they leave one hand till another hand signs for them. And Tigers' own truck fleet can deliver these shipments to meet the deadlines you make.

Flying Tigers carries cargo first and only—not after people and baggage are booked. So you're sure of prompt, safe handling all along the way.

Check the Yellow Pages for your nearest Flying Tiger Representative. Ask him about our new low rates, new packaging techniques, and complete schedules. Then specify the Airfreight Specialist on your next purchase order.

#### TIGERS CUT AIRFREIGHT RATES UP TO 40%

For example . . . eastbound airfreight—per 100 lbs.

	Former Tiger Rates	NEW TIGER RATES
Los Angeles to New York	\$26.60	\$15.95
San Francisco to Chicago	20.35	12.25
Seattle to Cleveland	22.30	13.45



## In the World of Sales . . .

**Frank J. Suslavich** has been appointed vice president and general sales manager, **Automotive Div., Studebaker-Packard Corp.**, South Bend, Ind.

**Marvin R. Stein** has been named sales manager, **Force Transducer Sales Div., Hydro-Pneu-Tronics, Inc.**, Cleveland, Ohio.

**Robert E. Hater** has been assigned the post of sales manager, **Willard Bronze Co.**, Cincinnati. He was formerly with Aluminum Industries.

**S. L. Richmond** was promoted to sales manager, **Owatonna Tool Co.**, Owatonna, Minn.

**Joseph Almeida** has been advanced to district sales manager, **Semiconductor Products Dept., General Electric Co.**, Syracuse, N. Y.

**Julian A. Pollard** has been given the

post of manager of the new Chicago sales office, **Thomas Collators, Inc.**, New York City.

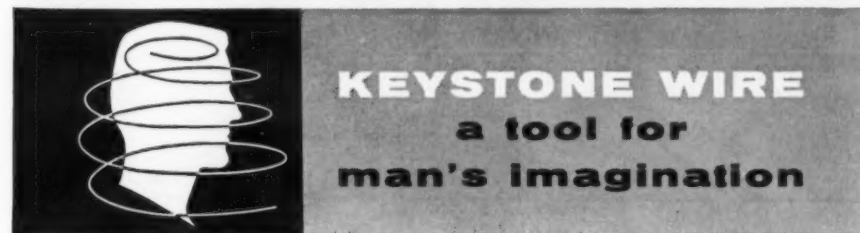
**Nat Skurnik** was made vice president and general sales manager, **Foodways, Inc.**, Rye, N. Y.

**C. Gregg Geiger** has joined **Borg-Warner Service Parts Co.**, Chicago, as sales manager. He was with Johns-Manville Sales Corp.

**William D. Messer** was elevated to general sales manager, **Leschen Wire Rope Div., H. K. Porter Co., Inc.**, St. Louis, Mo.

**Edmond S. Bauer** has moved up to director of sales, resin products, **Monsanto Chemical Co.**, Springfield, Mass.

**E. L. Bruce** has been appointed sales manager, **Johnson-Williams, Inc.**, Palo Alto, Calif.



accurately and economically headed from

**KEYSTONE WIRE**

This fastener is a socket mount for a truck rear view mirror. Pheoll Manufacturing Company, Inc., Chicago, Illinois, took their specifications to Keystone Steel & Wire Company for the right wire to cold head this part efficiently.

Keystone Metallurgists, analyzing the problem, developed the wire Pheoll specified. This special cup screw is now successfully produced with smooth working surfaces for proper adjustment of the rear view mirror.

The flowability characteristics and consistent quality of Keystone Special Processed Wire are the reasons why Pheoll was able to produce this special. Consider the parts you may be making by another process—perhaps with another material. They very possibly might be made faster, more economically, last longer and give better service when produced from Keystone Wire.

Talk over your forming problems with your Keystone Representative. Or send us your specifications and blue prints. Let Keystone Metallurgists make recommendations for a better product made from Keystone Wire.



Keystone Steel & Wire Company, Peoria, Illinois

**KEYSTONE**

Cold heading and forming wire for industrial uses



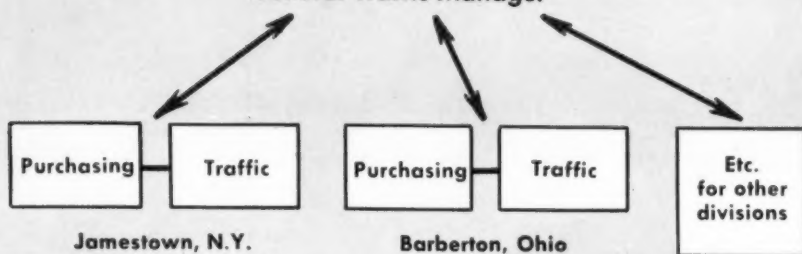
# Incoming or Outgoing Freight



C. Warner McVicar  
Director Purchasing & Traffic



A. J. Bruens  
General Traffic Manager



**TRANSPORTATION SETUP** at Rockwell Mfg. Co. has two-man team at top, with corresponding teams in divisions throughout the nation.

*"We will buy transportation as carefully as we buy material . . . not only inbound shipments, but outbound shipments as well."*

This policy statement of a couple of years ago squarely put control of all Rockwell Manufacturing Company transportation into the hands of the Purchasing Dept. On the theory that shipping should be purchased just as carefully as steel or fasteners—especially since it involves a cost that adds nothing to the value of a product except availability—Purchasing got the works: incoming freight, outgoing freight, inter-plant freight, plus human freight (company travel and household moving).

Subsequently Rockwell's Purchasing Dept. has done two things: 1) It has created within itself a nationwide network of traffic buyers, and 2) it has worked up a special Traffic Manual that keeps everybody on the same procedural wavelength. Today—as costs continue high on industry's list of headaches—that manual is arousing so much curiosity among P. A.'s that Rockwell's experts inadvertently may wind up in the educating profession, too.

## What the Manual Does

Basically, Rockwell's traffic manual—or policy guide—enables the Purchasing Dept. via its Traffic Dept. to perform these key chores in an orderly way:

- **Set standards for the purchase of all transportation** in the home plant and its 20-odd divisions (which make 30-odd products). These standards closely parallel the principles for purchasing tangible merchandise. For example, it's a Rockwell precept that when you buy freight, you examine alternate sources of supply; but you don't buy from so many vendors that you get into an uneconomic hodgepodge.

- **Set standards of performance.** Speed and quality of delivery must be up to par. (See sample of tracer below.)

## WHAT'S COVERED IN ROCKWELL'S TRAFFIC MANUAL

1. Foreword endorsing compliance with policies outlined in the manual, signed by President Rockwell and Purchasing-Traffic Director McVicar.
2. Outline of the functions of the Traffic Department.
3. Responsibilities of the Traffic Department in terms of contacting transportation companies, directing traffic, checking, and paperwork.
4. Official roster of Traffic personnel.
5. Classification of freight.
6. Proper auditing of freight bills.
7. Routing procedure, including pointers on weight, rate breaks, and use of up-to-date charts.
8. Procedure for handling paperwork involving bills of lading, shipping copies, and freight bills.
9. Policy on moving household goods, with notes on how to handle insurance and damage claims.
10. (This section obsolete and deleted.)
11. Policy on demurrage; choice of demurrage methods; policy on reporting.
12. How to handle bills of lading including distribution

of the paperwork, its preparation, and where to requisition proper forms (sample appended).

13. Policy on inter-company shipments.

14. List of all rail carriers serving company plants and warehouses, with notations of rail sidings.

15. Policy on tracing and expediting shipments, together with a copy of correct tracer form (reproduced on opposite page of this article).

16. How to handle loss claims, damage claims, overcharge or duplicate payment, and time allowed for filing claims.

17. How and when freight bills must be paid.

18. How to handle sight drafts and c.o.d. shipments, together with sample of bill of lading.

19. Policy on retention of records.

20. Freight bill payments reimbursed from petty cash.

21. Policy on membership in traffic clubs.

22. Information on passenger travel.

23. Notes on weight agreements.

24. Notes on parcel post shipments.

25. Notes on Railway Express shipments.

SCOPE of Rockwell's Traffic Manual is indicated by table of contents reproduced above. Every type of transportation—inbound,

outbound, inter-plant, and personal—is covered by policy statements, plus hints and tips on the most efficient methods.



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● **Seek improvements.** Here are two constant questions: Is our packaging of the right dimensions and the right strength? Can we get better classifications for our goods?

**Classification:** "The proper description normally makes certain that the correct rate will be applied by the carrier. It is extremely important that we familiarize ourselves with the various types of raw materials and products that you receive and make certain thereby that the vendors are properly describing these shipments. It is very important that your packages conform with the rules on pack-

**Information:** "We urge the General Manager of each Rockwell plant to have the person in charge of traffic join the local traffic association or club if one exists in the locality."

Pool truck loads, pool cars, stop-off shipments, transload shipments and justified rate reductions enable Rockwell to save hundreds of thousands of dollars each year through its traffic program.

[illegible]

17

## CLEVELAND-PITTSBURGH PERSPECTIVE



P/W BUREAU CHIEF ARTHUR ZIMMERMAN

### Focuses a Purchasing Spotlight On the Industrial Complex Of a Great Lakes Port

**T**wo dissimilar fleets of freighters began sailing the waters of the Great Lakes within the past month. The lake bulk carriers' season began May 1 when the Cason J. Callaway of U. S. Steel's Pittsburgh Steamship Div. sailed for Duluth, Minn.,

for a load of iron ore. The St. Lawrence season opened on April 15 when foreign ships started inbound from Montreal, Quebec, for lake ports.

Among early foreign ship arrivals in Cleveland was the French Line's new M/V Cleveland, named in honor of that Ohio city, on April 25. The diesel-driven, 450-ft. vessel has three times the carrying capacity of the older seaway ships and is designed for seaway navigation conditions. Prominent in its first inbound cargo for Cleveland: steel wire.

Another vessel designed for the lakes-seaway trade, the Birgit Ragne of the Swedish Chicago Line, docked in Cleveland on her maiden voyage the same week. This ship will be followed in May by still another vessel, the Prins Mauritz of the Fjell-Oranje Line, also designed specifically for the seaway trade route.

• • •  
**It appears the foreign ship owners are acting more decisively than the city fathers in Cleveland.** Even as the Cleveland docked,

a committee of "representatives of the business community" was trying to decide how to set up an effective promotional agency for the Port of Cleveland. In this, the third seaway season, port promotion here still is being bounced between the Chamber of Commerce and the City Hall, and often falls between the two.

One significant development in the bulk commodity trade is an announcement by John R. Wall, general traffic manager, Republic Steel Corp., that "negotiations are being conducted to bring Liberian ore to Cleveland through the seaway this season." Up to now this ore has been discharged at Baltimore and shipped to Cleveland by rail. Contemplated is a transshipment of the ore from ocean-going 21,000 ton vessels to smaller vessels able to negotiate the Cuyahoga River in Cleveland at Contrecoeur, Quebec.

Traffic experts have said this type of bulk raw materials movement from overseas sources to Midwestern consuming points via the seaway would prove to be more costly than transshipment at coast ports to rail. If this movement by Republic turns out to be economically advantageous, it may prompt other Midwestern consumers to take a closer look at the route. Next best potential users: the chemical process industry.

• • •  
**The Industrial Fasteners Institute, Cleveland, reports the decline in imports is continuing since January when tonnage dropped 41% compared with year-ago and dollar volume declined 29%.** The percentage of imported fasteners coming from Japan is increasing while the European fastener makers are losing out.

The number of domestic fastener manufacturers is remaining fairly constant, but there is a trend toward producing "specials" and away from standard items. This is partially in response to the flood of imported standard fasteners and partially an effort to improve profitability. Net result is a wide variety of new cold and hot headed and threaded specials being offered on the market which can help reduce assembled costs for the end product fabricator.

• • •  
**Cleveland-northeast Ohio firms are looking for more federal contracts work especially in the aerospace field.** A group formed nearly two years ago for the purpose of bringing a prime or a substantial sub research and development contract to this area—the Cleveland Aero-Space Association (CASA)—has been unsuccessful thus far but is still trying.

What this group is attempting to sell is the excellent and diversified research and development manpower and facilities which exist in a concentrated portion of Ohio. Of 23,000 job classifications used by the U. S. Census, about 10,000 are found in northeast Ohio. Over 375 companies operate more than 400 separate research and development facilities here. Research personnel in this area represent 4.8 % of the "normal" manufacturing workforce of 330,000 persons, and about 2.9% of the entire county (Continued on page 21)

## NEWS FROM AO



Safemaster (F5300)



Flexi-Fit (F9900) with side shields

### Two new Durasafe models—

## For greater protection... easier acceptance

Here are two new Durasafe safety glasses that will help make your eye safety programs *work*. Both give workers the type of protection they need, want, and will wear. The plastic and metal Safemaster (F5300) was designed for safety Rx as well as plano lenses. The Flexi-Fit (F9900), which fits 85-90% of plano users, helps you cut plant stocks of sizes, is also available for Rx. Both models give you major Durasafe features.

For better wearer acceptance and greater eye safety, check these durable new Durasafe models. Call your AO Safety Products Representative, or write for bulletin S-1524.

### Only AO Durasafe gives you:

**Sturdy frames**—engineered for industrial use and exposures.

**Wider temples, endpieces**—stronger, more comfortable, better appearance.

**7-Barrel hinges**—40% stronger at temple's most vulnerable spot.

**Duragrip screw construction**—temples stay tight, screws cannot fall out.

**Cool side shields**—nonreflecting wire mesh.

**Choice of temples**—wide plastic comfort cable, metal core plastic spatula, or aluminum with plastic spatula tip.

Your Surest Protection... AO SURE-GUARD Glasses

**American Optical**  
COMPANY

SAFETY PRODUCTS DIVISION • SOUTHBRIDGE, MASSACHUSETTS



# Industry News in Brief

## Linde to Expand

**Amarillo, Tex.**—Union Carbide's Linde Co. division will build a liquid helium plant with a capacity of 100 liters/hr. here. The facility, which the company said will be the largest of its type in the U. S., is scheduled for completion in January, 1962. Liquid helium is used for low-temperature research in electronics and physics and for providing pressure in rocket fuel systems.

## Shell to Build in Texas

**New York**—Shell Oil Co. said it will construct a facility for processing gas and producing sulfur in the Bryans Mill gas field in Texas. Designed to process 30-million cu. ft. of gas per day, the plant will have a daily production of 5,700 bbl. of condensate, 130 long tons of sulphur and 18-million cu. ft. of pipeline quality residue gas.

## Grace Plans New Plant

**Big Springs, Tex.**—W. R. Grace & Co. plans to construct an ammonia plant here to supply fertilizer to the West Texas area. Grace said the facility, which will have an annual capacity in excess of 60,000 tons of ammonia, will begin producing early next year.

## Container Buys

**Los Angeles**—Container Corp. of America, primarily a producer of paperboard packages, has bought a 145,000 sq. ft. plant here from CAL-DAK Co., which it will use for the manufacture of rigid plastic containers and other custom-molded packaging materials. The facility is capable of producing about 5-million lb. of plastic products annually.

## Westinghouse Names Agent

**Salt Lake City**—Mine and Smelter Supply Co.'s branch here has been appointed agent and distributor for Westinghouse Electric Corp. in its Intermountain marketing area.

Mine and Smelter has distributing division branches in El Paso, Tex., and Albuquerque, N.M., in addition to its headquarters operation in Denver.

## Continental Builds Center

**Dallas**—Continental Oil Co. will build a \$775,000 central computer center in Ponca City, Okla. Facilities will include a three-story building with 32,000 sq. ft. of office space.

The center, scheduled for completion in early 1962, will house 200 employees, including 60 engineers. Present equipment includes an IBM 7090 computing system supported by two IBM 1401's.

## Republic Hqrs. in Dallas

**Dallas**—Republic Industries will make this city its corporate headquarters and a major center of its manufacturing activities.

Milton J. Stevens, board chairman, said that as a starter, the Hammel Furnace and Air Conditioning Co., an operating division of Republic-Transcon in

Culver City, Calif., and the Fowler Manufacturing Co., of Portland, Ore., a wholly owned subsidiary, will be moved to Dallas.

## Pacific Expands

**Portland, Ore.**—Pacific Machinery & Tool Steel Co., Portland distributor of special steels, has moved into a new \$350,000 office and warehouse in its fourth major expansion since the firm was founded in 1912.

## New Anhydride Plant

**Richmond, Calif.**—California Chemical Co.'s new maleic anhydride plant here has gone into full production. It is reported to be the first facility on the West Coast for manufacturing the chemical, which is used as an intermediate in producing plastics, paints, textile wetting agents, and agricultural chemicals.

The new plant, which is run by the company's Oronite Div.,

has the capacity to produce 20-million lb. of maleic anhydride annually, in both molten and briquette form.

California Chemical is a subsidiary of Standard Oil Co. California.

## New Alcoa Division

**Pittsburgh**—Aluminum Co. of America said it will re-enter the printed aluminum foil business late this year. The new product line will be aimed primarily at the packaging industry.

An Alcoa spokesman said the plain aluminum foil already produced by the company will be printed in Chicago by R. R. Donnelley & Sons, which is constructing a new facility designed especially to meet Alcoa's requirements.

The printed foil products will be marked through a newly created printed foil division in Alcoa's sales department.

## GE Builds Plant Addition

**Pittsfield, Mass.**—General Electric said it will build a \$750,000 addition to its phenolic plastics plant here that will raise its capacity 30%.

The enlarged facilities are expected to go into operation in 1962, with installation of new equipment beginning late this year.



Another New Fastener Idea From Parker-Kalon

## The New PARKER-KALON W-POINT Socket Set Screw

Now you can get the highest degree of holding power ever attained!

30% more back-out torque 50% more resistance to vibration 50% more resistance to rotary slippage

Like many important advances in technology, the Parker-Kalon W-Point concept is simple and straightforward. In use, its superior performance and holding power will be demonstrated to your own satisfaction. Available from P-K distributors at no increase in cost.

A COMPLETE LINE OF SOCKET SCREWS TO MEET EVERY REQUIREMENT!



## Now you can get all of these famous P-K® quality socket screws with or without the vibration-resistant LONG-LOK® INSERT!

Look at that groove! It's P-K's secret weapon against vibration. Filled with Polycap nylon-type polymer, it solves a thousand and one problems where vibration is present... where adjustment is required... where reuse is a factor, over a wide temperature range.

- Provides higher resistance to shock
- Higher percentage of reusability
- Superior thread engagement and locking force
- Eliminates need for lock washers, safety wires
- The Long-Lok insert is available on P-K Socket Head Cap Screws, Set Screws, Flat Heads, Button Heads, Shoulder Screws and Pipe Plugs.



## PARKER-KALON FASTENERS

Parker-Kalon Division, General American Transportation Corporation, Clifton, New Jersey. Offices and Warehouses in Chicago and Los Angeles. KEEP AMERICAN INDUSTRY AT WORK... BUY P-K... MADE IN U.S.A.

## Utah Purchasing Assn. Elects Lloyd President

**Salt Lake City**—E. Thomas Lloyd, purchasing agent for Beneficial Life Insurance Co., is the new president of the Purchasing Agents Association of Utah.

Heading the group with Lloyd are: Alma C. Mauss, American Oil Co., vice president; Richard W. Ashard, Zions First National Bank, secretary; and John Wigel, Utah Sand & Gravel Co., treasurer. Former president Glen S. Winegar, Salt Lake City Board of Education, becomes national director.



**E. THOMAS LLOYD:** New head of Purchasing Agents Assn. of Utah.

## Wisconsin Group Tackles Issue of Identical Bids

**Milwaukee**—Speakers at the Wisconsin Assn. of Public Purchasers' spring meeting mapped strategy for combating identical bids.

Joseph W. Nicholson, PURCHASING WEEK consultant and former purchasing agent for the City of Milwaukee, suggested attacking the problem two ways:

- Offer old equipment in trade as part of the contract, Nicholson agreed. He said different net prices should result because of varying ideas as to the equipment's value.

- Call all bidders in and warn them they will be given one more opportunity to quote competitively. If this fails, report the facts to federal authorities.

Nicholson pointed out that identical bids do not necessarily indicate collusive price fixing. He said it might be the result of "fair trade" pricing on the part of the manufacturer and his distributors and dealers. Also, Nicholson added, prices may have gravitated to a common level, due to open bidding to municipalities when all prices are known.

John W. Reynolds, attorney general for the State of Wisconsin, recommended that P.A.'s refer all suspected collusive or rigged bids to the state attorney general and also to the U. S. Dept. of Justice. He said identical bids should be differentiated from rigged bids. In the latter, Reynolds said, bidders quote different prices, but decide among themselves beforehand who is to receive the contract.

Discussing bids from a different angle, Gerald B. Mintz, vice president of Williams Steel & Supply Co., Milwaukee, cautioned against making specifications too tight. "Frequently the 'or equal' clause cannot be met by competing firms because of patented items being included in the specifications," he said.

Mintz, who spoke on improving buyer-seller relations, told the P.A.'s that reserving the right to purchase one item on a list, or any group—a practice peculiar to governmental bid requests—often works to the disadvantage of both.

If the seller does not take this into account when bidding, Mintz explained, he may lose money if given only one item or a small number. If he raises his bid to make this into account, he may lose the order. If all bidders take this into account, the buyer loses, Mintz stressed.

Members of the association elected new officers: Russell Petreat, purchasing agent for the City of Green Bay, president; Arthur Woerple, purchasing agent for Dane County, Madison, vice president; and William Beam, deputy director of purchases, Milwaukee County, secretary.

## P.A.'s Urged to Develop Local Sources of Supply

**Houston, Tex.**—The purchasing agent should realize he has another broader duty—that is to help develop the economy of the area where his firm does business.

This point was emphasized by Arthur V. Wiebel, president of United States Steel's Tennessee Coal & Iron Div., Fairfield, Ala., in a talk before members of the Houston Purchasing Agents Assn.

He urged P.A.'s to find and develop Southern sources of supply, both to improve their service to their own companies and to give impetus to the economic growth of the South. "We know," he added, "that as the economy of the South continues to grow, we shall share in the fruits of that growth."

There are two ways a purchasing agent can aid in the industrial development of a region, Wiebel pointed out. First, by knowing sources of supply intimately and being immediately aware of the availability in his area of materials his company needs. Second, by helping to develop nearby sources of supply.

Wiebel questioned the advisability of buying cheaply made goods from distant sources. He suggested P.A.'s carefully weigh whether the supplier is prepared to service the goods he sells or is content merely to deliver the goods, collect his payment and retire from the field.

*U.S. Air Force DEW-Line buildings fend off corrosion . . .*



## GUARDED BY GALVANIZED STEEL

Galvanized steel sheets—over 300 tons—will fill a vital need in the construction of unique air terminal/storage buildings for our Air Force's DEW (Distant Early Warning) Line.

The need? Maximum strength plus a defense against the DEW Line's dew point. Based north of the Arctic Circle, these buildings and their interior warmth will abut against bitter outside cold to create a temperature differential up to 130°—and a condensation-corrosion threat as extreme as the -60° surroundings. To eliminate the threat, each building will consist of: insulated galvanized steel floor construction, galvanized steel for

outer skin of sidewalls, galvanized steel for inside (vapor barrier) face of sidewalls.

**WEIRKOTE® IN PARTICULAR!** To the inherent strength, economy and versatility of steel, Weirkote adds enduring zinc protection via the modern continuous process. As a result, Weirkote galvanized steel can be worked to the very limits of the steel base without chipping or peeling. And it assures you of long-lasting protection against corrosion. It is manufactured by two National Steel divisions, Weirton Steel and Midwest Steel. Write Weirton Steel Company, Weirton, West Virginia, for further details.



**MIDWEST STEEL**  
Portage, Indiana

**WEIRTON STEEL**  
Weirton, West Virginia



divisions of  
**NATIONAL STEEL CORPORATION**



## New 'Dictation by Phone' Service Launched by Automated Industries

New York—Automated Industries has launched a new service that allows businessmen to dictate over office telephones to off-premises recording machines.

The new service costs 6.5¢ for each line dictated, plus an installation charge of \$3.75 and a monthly service charge of \$1.60 for each person using it.

AI Chairman John B. Miller said that in initial operations in the Wall St. area the service had "substantially" reduced the dictation costs of many firms.

On the basis of the 6.5¢ charge, it costs a subscriber 97.5¢ to dictate a 15-line letter, he said. By comparison, Miller pointed out that in a recent study the Carnegie Institute of Technology estimated that a half-page note dictated to a secretary costs \$2.50 in salaries alone. In addition, Miller said the AI service "clears desks of dictating machines, eliminates delays inherent in fluctuating workloads and minimizes personnel requirements."

Here is how the service works: Subscribers are hooked up with the recording machines by dialing a code number on regular desk phones. The operation is under control of the subscriber,

who by dialing another special number, can make the machine skip back to any point in the dictation desired and then play back the material. The recordings then are transcribed by typists with same day delivery promised.

Miller said AI plans to extend the service to cover midtown Manhattan within the next month and a half and that the company also is considering expanding to nearby cities such as Philadelphia and Boston.



**TAKING DICTATION:** Automated Industries, New York, uses ordinary phone lines to link businessmen with off-premises recording machine for low-cost service. Typist transcribes the material for same day delivery.

## British Steel Booming

London—The British steel industry for the first time since the war is nearing the point where it can satisfy home demand and still have surplus capacity to compete in export markets, said the Iron and Steel Board in a report to the Minister of Power.

During the next five years, the British steel industry is expected to spend from nearly \$2-billion on expansion and cost reduction, the report said. The Board forecast that by 1965 the industry will have a capacity of 32-million long tons and that domestic and export demand will total 29-million long tons.

# NOW RAILWAY EXPRESS AGENCY



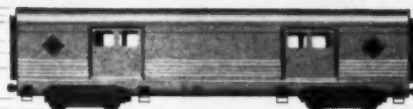
# HAS A NEW NAME FOR THE



# MOST COMPLETE SHIPPING



# SERVICES IN THE WORLD...



# R E A EXPRESS

New name...new methods and equipment...new low rates...new spirit! That's R E A Express—the national and world-wide truck-plane-ship-train service of Railway Express. It's the simplest way to ship: with just *one* carrier—R E A—all the way!

Ship anything, anywhere, any time via the R E A domestic and overseas network. You ship many commodities at rates comparable to—often *lower* than—parcel post and so-called "low-cost" carriers.

No other organization can match R E A—world's most complete shipping service!

### SPECIAL NEW LOW RATES ON THESE AND MANY OTHER COMMODITIES:

- Farm implements and parts
- Rugs and carpets
- Books and printed matter
- Shoes and other footwear
- Wearing apparel
- Automobile, truck and trailer parts
- Piece goods
- Curtains and draperies
- Sheets, towels, tablecloths
- Photographic equipment and supplies
- Hand tools
- Machinery and machine parts

This is only a partial list applying between all points. Call your local R E A office if your commodity is not included here. If it is, call for the complete rate story—it will show you big savings.



RAIL • AIR • SEA • HIGHWAY

## Cleveland Perspective

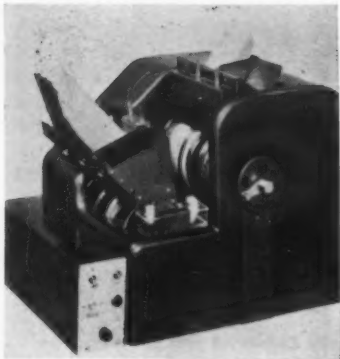
(Continued from page 18)  
try's estimated industrial laboratory workers.

Two-ply tires for standard sized automobiles await only good public acceptance of the two-plies on compacts, according to a spokesman at one of the Big Three tire manufacturers in Akron. "These tires are not new. We began making them on a test basis back in 1952. We've had them on our own test fleets—that is, on our own company cars—and taxi fleet accounts for months. We're satisfied but we want to get a good performance record built up gradually in general public use before pushing them."

Main interest, at the moment, among tire makers is in Tyrex cording for the two-plies, though there is some combination of nylon and rayon work going on as well. The principle trouble area in combination two-ply tires is separation of the plies due to differing stretch characteristics of the two materials. Then too, all of the strain falls on the lower stretch fabric. That makes a weaker tire. "We feel the two-plies should have the four-ply rating strength," says this tire maker. "Unfortunately, we think, not all of our competitors agree."

Also look for a renewed push for steel corded truck tires. Less than 1% of the truck tires sold today are steel. The biggest deterrent to sales in the U. S. has been the cost of manufacture. Now there are reports that improved steel wire for cording produced on higher speed equipment, combined with radial one-ply tire design, may enable steel corded tires to take a substantial portion of the truck tire business.

## Here's your weekly guide to . . .



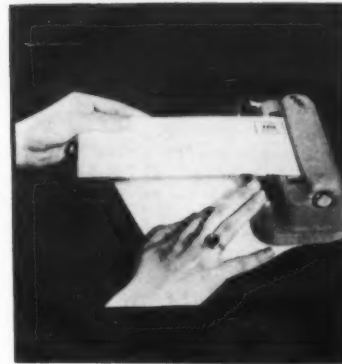
### Addressing Machine

#### Imprints From 3 x 5 Cards

Machine imprints directly from 3 x 5 master file cards at 3,500 (manual model) to 5,400 (electric) pieces per hour. The coated masters may be prepared by typewriter or handwritten and deliver 200 impressions each on stock from .010 in. to 30 pages thick.

**Price:** \$425 to \$985. **Delivery:** immediate.

**Dashew Business Machines, Inc., 3655 Lenawee Ave., Los Angeles 16, Calif. (PW, 5/8/61)**



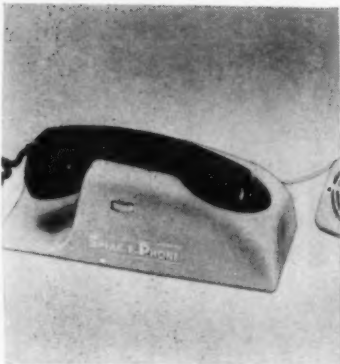
### Letter Opener

#### Weights 3 lb.

Mail inserted in envelope slot is opened by pressing a finger bar. The desk unit is 4 in. x 8 in. and weighs 3 lb. It is supplied in metallic-wrinkle finishes of grey and black with polished chrome trim, or green and brown with brass trim. Cutting blades sharpen with use and the opener is covered with a two-yr. guarantee.

**Price:** \$19.95. **Delivery:** immediate.

**Openette, P. O. Box 266, Jamaica 31, N. Y. (PW, 5/8/61)**



### Telephone Cradle

#### Amplifies Conversations

Telephone cradle turns on automatically when a handset is placed on it and amplifies the conversation. It requires no wires or hookup with the telephone and operates on one battery for over a year. Volume can be adjusted so that unit may be used during conferences.

**Price:** \$24.95. **Delivery:** immediate.

**Varicon Corp., 1415 Third Ave., Seattle 1, Wash. (PW, 5/8/61)**



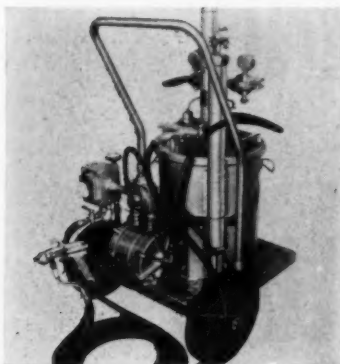
### Portable Calculator

#### Operates at 400 Cycles

Portable calculator adds, subtracts, multiplies, and divides at speeds of up to 400 cycles per min. The manual, 6-lb. machine operates without a handle, delivering totals when the operator strikes the actuating bar. The calculator has a 10-key keyboard and totals to as high as 11 digits.

**Price:** \$125. **Delivery:** immediate.

**General Industrial Co., 1796C Montrose Ave., Chicago 13, Ill. (PW, 5/8/61)**



### Hot Spray Unit

#### Controls Uniform Temperatures

Spray gun, available in fixed and mobile models, controls a full temperature range for one or two guns and 10- to 60-ft. hose lengths. A double-action, divorced-design pump sprays from clear to highly abrasive materials, and a special assembly constantly recirculates heated materials without return to the main supply.

**Price:** \$350 to \$625. **Delivery:** immediate.

**The Spee-Flo Co., 6614 Harrisburg Blvd., Houston 11, Tex. (PW, 5/8/61)**



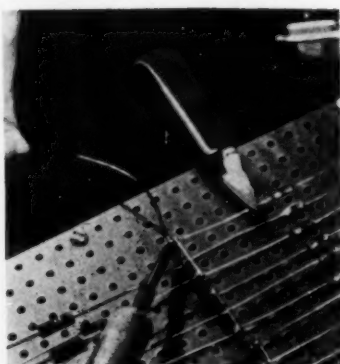
### TV System

#### Operates at Low Light Levels

Closed circuit system provides usable pictures at .0001 ft./candle and broadcast-quality pictures at 1 ft./candle. The complete system consists of camera, camera controls, and monitoring equipment and serves for dark area inspection, quality control checks, and other observation methods.

**Price:** \$7,500 (camera and camera control). **Delivery:** 30 days.

**Maryland Telecommunications, Inc., 10 Winters Lane, Baltimore 28, Md. (PW, 5/8/61)**



### Heat Sink

#### Dissipates Soldering Heat

Heat sink clips onto small wires and dissipates heat to protect electronic parts during soldering. Three models are from 1 in. to 2 1/2 in. long. The largest has copper jaws to dissipate maximum heat, and smaller sizes are made of Beryco 10. A plastic handle coating protects the user from burning his fingers.

**Price:** 68¢ to 79¢/each. **Delivery:** 10 days.

**R. N. Hunter Sales Co., 9851 Alburton Ave., Santa Fe Springs, Calif. (PW, 5/8/61)**



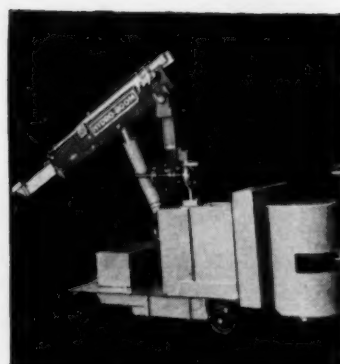
### Loudspeaker Station

#### Receives and Transmits

Loudspeaker for private telephone systems gives "hands-free" phone service. Calls to the station are initiated through any dial or pushbutton phone and broadcast over the loudspeaker. Reply is made by speaking in the general direction of the 2-way speaker without interrupting work flow.

**Price:** \$115 (for tie-in to direct call system) or \$190 (PAX). **Delivery:** immediate.

**Tele-Norm Corp., 55 W. 42nd St., New York 36, N. Y. (PW, 5/8/61)**



### Mobile Floor Crane

#### Lifts 3,000 lb.

Battery-operated mobile floor crane can lift 3,000 lb. with the hook 48 in. beyond the platform edge. The hydraulically controlled boom permits 1/100th in. precision in six directions of travel: up-down, in-out, and left-right. The truck needn't straddle the load for the hook to lift a weight and it can make a complete turn within its own diagonal length.

**Price:** \$5,890. **Delivery:** 4 wk.

**Vanguard Mfg. Co., 1908 E. 66th St., Cleveland 3, Ohio. (PW, 5/8/61)**



### Cord Cutter

#### Measures Bundling Material

Device with attached rule speeds tying and bundling operations by permitting exact measurement of material before cutting. It is designed for use primarily with wire-reinforced paper or plastic ties but measures and cuts any bundling material. Cord stock is cut off in a swinging cutting arm.

**Price:** \$7.95. **Delivery:** immediate.

**H. F. Hanscom & Co., Inc., 1 Virginia Ave., Providence 5, R. I. (PW, 5/8/61)**



# New Products

This Week's

## Product Perspective

MAY 8-14

**ALUMINUM, PLASTIC, AND STEEL** makers continue to refine their wares to make processing easier for the user. Here's a rundown on 11 of the newest materials:

- **Aluminum alloy** gives tensile strengths up to 50,000 psi. Designated Tens-50, it produces sand castings with tensile strength of 47,000 psi., yield strength of 38,000 psi., and 4% elongation. **Permanent molds give tensile strength of 53,000 psi.**, yields strengths of 43,000 psi., and 7% elongation. Alloying elements include silicon, magnesium, and beryllium. *Reynolds Metals Co., Richmond, Va.*

- **Columbium-treated steel** has increased resistance to atmospheric corrosion thanks to addition of copper. The grades, JLX-45-W, -50-W, -55-W, and -60-W have resistance about twice that of mild carbon steels and equal to that of some high strength, low alloy proprietary grades. Yield properties for the respective grades range from 45,000 to 60,000 lb./sq. in. *Jones & Laughlin Steel Corp., Pittsburgh, Pa.*

- **Tungsten tool and die steel** lasts up to four times as long as high-carbon, high-chrome steels. Relatively low hardening temperatures of the Hi Wear 64 steel gives maximum protection against decarburization, distortion, and surface damage while saving expense of high-temperature treating. It will harden to the center, in sizes up to 6-in. cross-section, when oil quenched from 1,450 F. *Carpenter Steel Co., Reading, Pa.*

- **Aluminum ingot (induction furnace grade)** has residue-forming oxides removed during smelting. The absence of contaminants reduces heavy deposits which can cover furnace walls and plug tapping channels during remelting. Residues which do remain are softer and easier to ream out. *Aluminum Co. of America, Pittsburgh, Pa.*

- **Diallyl phthalate compounds** are designed for molding applications. RX 1260 produces electrical and electronic components such as connectors, terminal boards, and potentiometers. RX 1280 has a low mold shrinkage that permits interchanging with other high temperature molding compounds. RX 1380 is recommended for critical insulation and structural applications. *Rogers Corp., Rogers, Conn.*

- **Resin-hardener system** produces hot and warm coated foundry sand for shell molds and cores with excellent strength and hot rigidity characteristics. The phenolic resin is waterborn, producing a nonflammable solution. Shell molds made with the resin have high dimensional stability and tolerance control which eliminate machining and drilling in some applications. *Union Carbide Plastics Co., New York, N. Y.*

- **Polypropylene polymers** are designed for molding and food packaging. Grades 4011 (for extrusions) and 4014 (for injection molding) are both food grades suited for a wide range of package types. Grade 1016, which gives close shrinkage and warpage control of the molded part, is designed for high-speed, multiple-cavity molding. *AviSun Corp., Philadelphia, Pa.*

- **Elastomer sponge** resists chemicals, acids, and fuels, and has a high dielectric strength. Its hardness compares with soft rubber with about a 20 Durometer rating, but it retains the basic characteristics of "Fluorel" 2141 elastomer. Applications include gaskets, seals, and plugs, vibration dampening, and insulation. Current production is in pastel sheets up to 1/2 in. thick and 9 in. sq. *Minnesota Mining & Mfg. Co., St. Paul, Minn.*

- **Natural diamond grit** has block-shaped, longer lasting, grains to give smoother cutting characteristics. Uniformity permits closer grading and they are suited for heavy grinding and cutting pressures as on grinding wheels and saws. *Diamond Tool Research Co., Inc., New York, N. Y.*

- **Polyolefin copolymer, called Zetafin,** can be used in place of flexible vinyls. Plasticizer migration is not a problem and up to 35% of low cost filler may be added without greatly affecting Zetafin's physical properties. Fabrication causes no thermal degradation and compounding is not necessary except for color. Material is priced at 32 1/2¢/lb. (natural) in truckload quantities. *Dow Chemical Co., Midland, Mich.*

- **Two-component polyurethane foam** has excellent dimensional stability and 90% or more closed cell structure. The foams are suited for commercial refrigeration, sound deadening, special packaging, truck trailer insulation, and flotation in boats. *Archer-Daniels-Midland Co., Minneapolis, Minn.*

Price data that accompany each product description are list or approximated prices supplied by manufacturers. Unless otherwise noted, prices quoted are for the smallest quantity that can be ordered.

### Swivel Chair

Has Cantilevered Arms

Swivel chair's cantilevered arms provide complete leg freedom and comfort. Seat and back cushions of molded foam rubber are covered with vinyl upholstery and chair is available with open or closed back. Side chairs have tubular legs or aluminum pedestal base with glides; armchairs come with molded rubber or gunstock walnut armrests.

**Price:** \$79.50. **Delivery:** approx. 30 days. **Harter Corp., Sturgis, Mich. (PW, 5/8/61)**



When you need a shipment in a hurry...

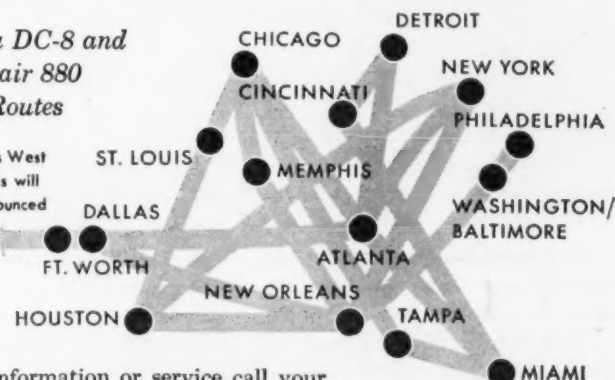


## Delta Jet Freight

Your shipments move faster when you use Delta's big Jets, cruising at speeds up to 615 mph. And all Delta flights carry Air Freight, give you next day delivery. Delta's fleet also includes all-cargo aircraft for heavier, bulkier shipments.

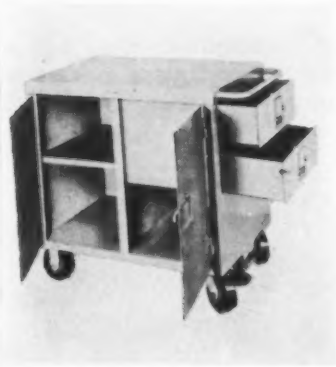
Delta DC-8 and  
Convair 880  
Jet Routes

Services West  
of Texas will  
be announced  
soon.



For information or service call your nearest Delta office, or write: Delta Cargo Dept., Airport, Atlanta, Ga.

**DELTA**  
the air line with the **BIG JETS**

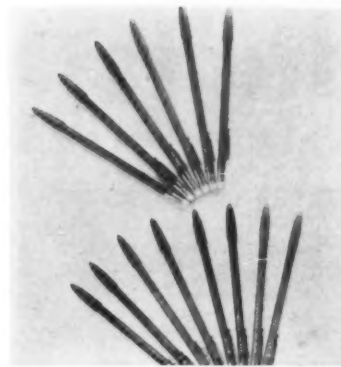


### Mobile Bench

#### Has 2 Work Stations

Bench has two drawers with individual locks to allow two men to store tools separately while working from the same unit. It has also a common storage compartment with steel shelves. The 330-lb. unit supports 2,000 lb. and has a toe-operated floor jack to secure it when not in use. The 6-sq. ft. top work surface will accommodate any vise.

Price: \$185. Delivery: 10 days.  
Overbeke-Kain Co., 20905 Aurora Rd.,  
Bedford, Ohio. (PW, 5/8/61)



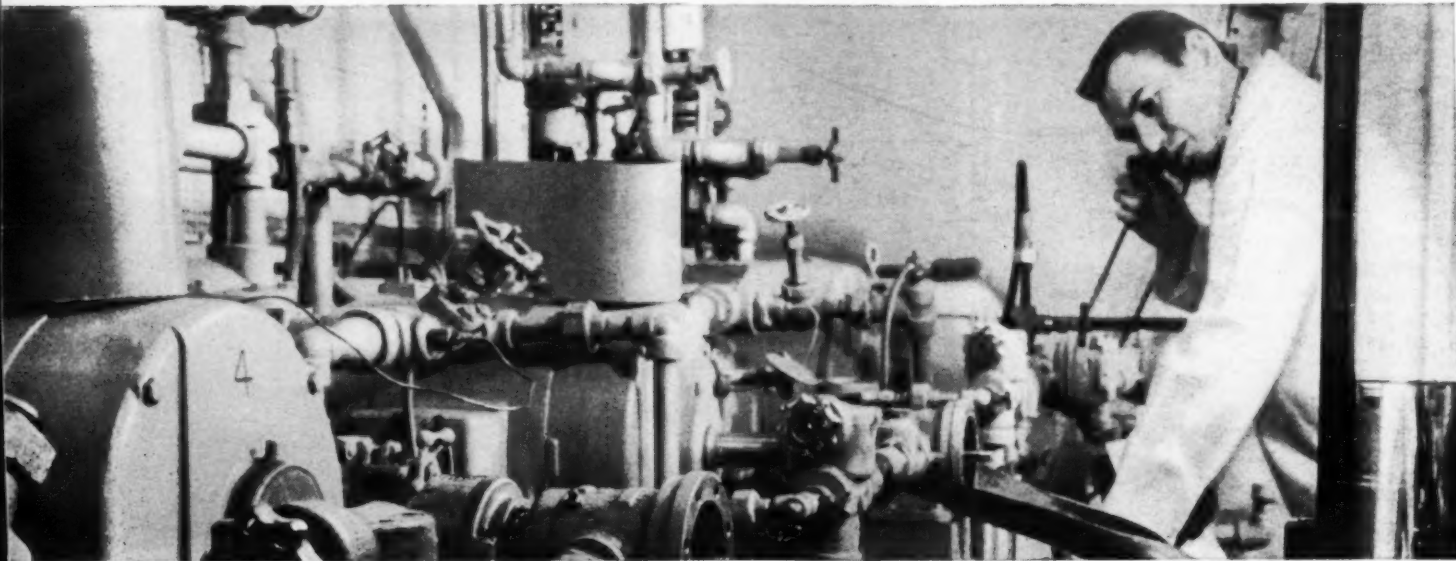
### Ball Point Pen

#### Has Extended Point

Ball point pen with extended point for easier and more exact writing comes with blue, red, green, or black ink. A superfine-point model for accounting, drafting, and similar uses is available in blue and red. Plastic barrels and point protectors match the exact color of the ink for ready identification.

Price: 39¢ (regular) and 49¢/each. Delivery: immediate.

Eberhard Faber Pencil Co., Crestwood,  
Wilkes-Barre, Pa. (PW, 5/8/61)



**Listening for pump chatter.** Here—in Shell's Martinez, California, laboratory Shell Tellus hydraulic oils are subjected to the most demanding tests.

## BULLETIN:

### Shell presents a question-answer guide to help you select the hydraulic oils for top performance

Selecting the proper hydraulic fluid for your equipment can be one of your most important decisions. And it can pay off in many ways. Less down-time. Longer equipment life. Lower cost per unit.

Here are six bench marks to help you pick the best hydraulic oil for your plant requirements.

- 1. Does it have good oxidation stability?** Oxidized hydraulic oil can form gums, lacquers and other deposits which may foul moving parts. Shell Tellus Oils are carefully refined to remove unstable, sludge-forming components—then fortified with a Shell-developed oxidation inhibitor.
- 2. Will it resist foaming and emulsification?** Pump chatter and erratic operation are often the result of pump cavitation, brought on by oil foaming. Tellus® Oils contain additives to help prevent foaming.
- 3. Does it fight rust and corrosion?** It is difficult to exclude all moisture from a hydraulic system. And moisture can form troublesome rust. Shell

Tellus Oils have been carefully compounded to resist corrosion.

**4. What are its lubrication qualities in continuous service?** Shell Tellus Oils form a clinging, oily film on mating metal surfaces. This maintains a constant guard against wear.

**5. How does it react to temperature changes?** This is a key factor in the performance of hydraulic equipment. Careful selection of the proper viscosity grade of Tellus assures satisfactory operation of your system over its entire temperature range.

**6. Is it available in several viscosity grades?** Shell Tellus Oils are available in a broad range of viscosity grades. There's a special grade for virtually

every hydraulic requirement.

Ask your Shell Industrial Products Representative for facts on Tellus Oils. Or write: Shell Oil Company, 50 West 50th St., New York 20, N. Y.

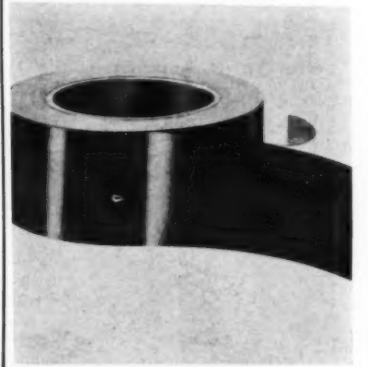
#### A message to manufacturers of hydraulic equipment

There is a Shell Tellus Oil suited for your equipment.

- 1.** Your customers can get Tellus Oils at Shell depots everywhere. Readily available throughout the world.
- 2.** Quality is consistently high. Tellus always delivers top performance.



**A BULLETIN FROM SHELL**  
—where 1,997 scientists are working to provide better products for industry



### Polyethylene Tape

#### Has Wide Application

Pressure-sensitive polyethylene tape comes in 1-, 1½-, and 2-in. widths with sun-resistant black or natural finish, and in 100-ft. lengths. The stretchable tape is effective from -50 F to +225 F, resists water and many chemicals and solvents, and conforms to most contours. A backing paper eases handling.

Price: 79¢/roll (1-in. width in 1,200-roll lots). Delivery: immediate.

Fasson Products, 250 Chester St., Painesville, Ohio. (PW, 5/8/61)



### Roofing Fabric

#### Covers Old Material

Glass fiber fabric covers old material to resurface roofs. It comes in rolls of 540 sq. ft. and is bonded to the roof with a liquid silicone coating. The material conforms to any surface irregularities and will not blister, bulge, or curl. Tiny pores in the fabric allow any trapped air to escape.

Price: \$14.95/roll. Delivery: approx. 1 wk.

Monroe Co., Inc., Dept. MON,  
10711 Quebec Ave., Cleveland  
6, Ohio. (PW, 5/8/61)



## Gravity Feeder

### Controls Liquid Flow

Gravity feeder, suitable for remote location, controls constant-rate flow of clear liquids of from drops/min. to gal./hr. The device, made of polyvinyl chloride, is equipped with an equalizer to compensate for descending liquid levels in drums, and is adaptable to solenoid-timer and pressure-vacuum lines.

**Price:** \$99. **Delivery:** 2 to 3 wk.  
Norcross Companies, 19 Osborne St., Bloomfield, N. J. (PW, 5/8/61)

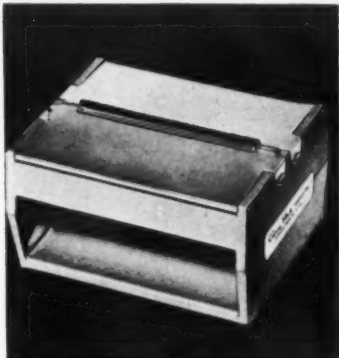


## Electric Car

### Recharges on 110-v. Circuit

Electric car driven by a 12-v. motor is powered by a lead-acid battery equipped with a trickle charger. A fully discharged battery will recharge in 12 hr. by plugging into a 110-v. circuit. The 182-lb. car carries loads of up to 100 lb. or an additional passenger. A trailer unit hauls up to 250-lb. loads.

**Price:** \$395 (car), \$49.50 (trailer). **Delivery:** 2 wk.  
Namisco, Inc., 535 Morris Ave., Springfield, N. J. (PW, 5/8/61)



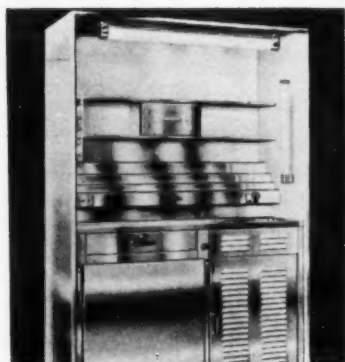
## Label Moistener

### For Double-Gummed Labels

Labeler moistens double-gummed labels which are used for attaching ungummed address labels or sales slips to packages. The labels are inserted in either side of the moistener and pushed out through a center slot between two brushes immersed in a water reservoir.

**Price:** \$11.95. **Delivery:** approx. 1 wk.

Carry-Pack Co., Ltd., 9525 Irving Park Rd., Schiller Park, Ill. (PW, 5/8/61)



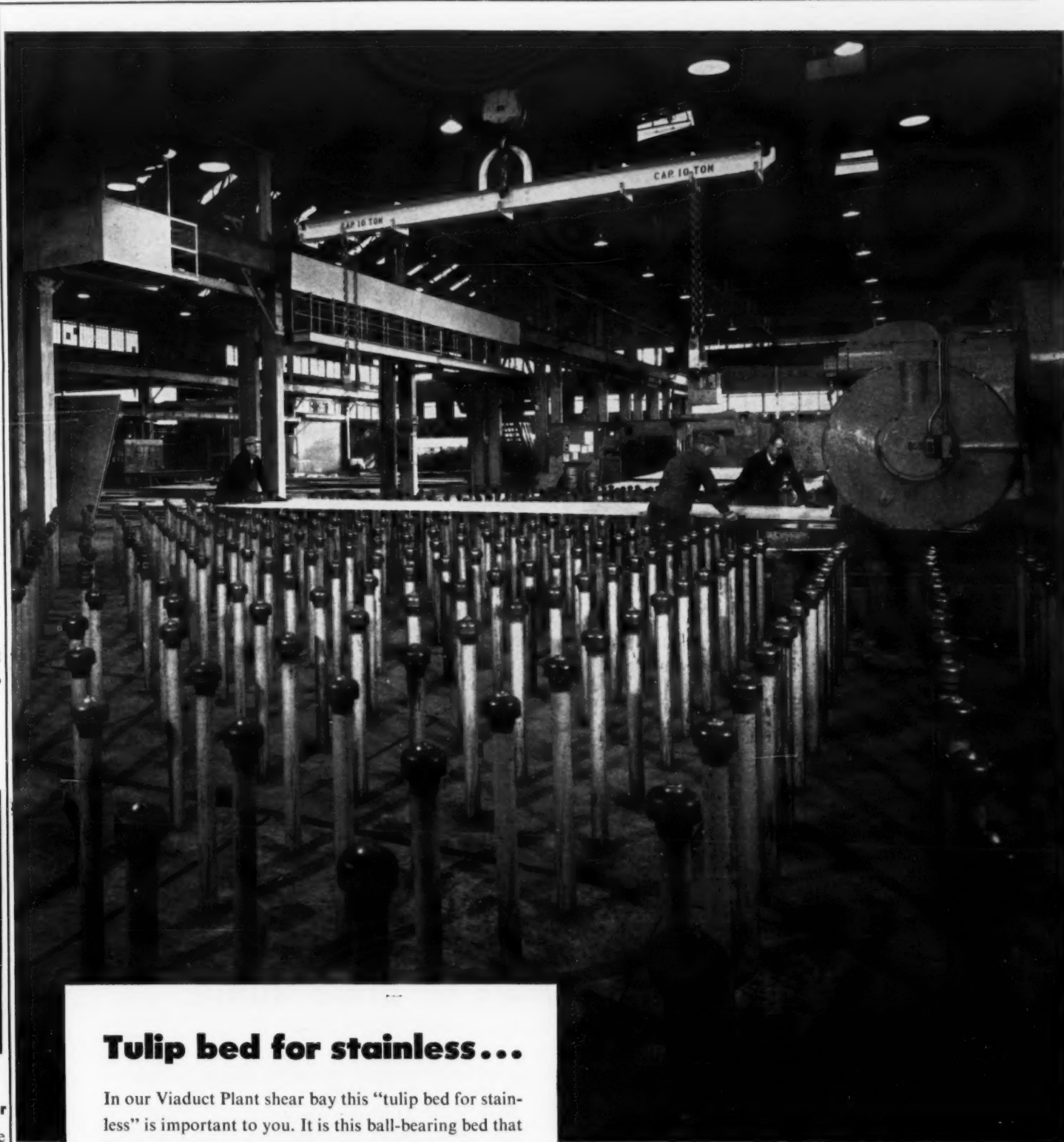
## Medication Unit

### Has 4-Cu. Ft. Refrigerator

Stainless steel unit is complete first-aid station for storing, preparing, and dispensing of medications. It contains a 4-cu. ft. refrigerator, sink, water faucet, work counter, shelves, and double-lock narcotic cabinet. It comes in 48- or 60-in. widths, 20 in. deep and 80 in. high.

**Price:** \$1,490 and \$1,640. **Delivery:** 15 days.

General Scientific Equipment Co., Limekiln Pike & Williams Ave., Philadelphia 50, Pa. (PW, 5/8/61)



## Tulip bed for stainless...

In our Viaduct Plant shear bay this "tulip bed for stainless" is important to you. It is this ball-bearing bed that helps our shearmen position plate easily, quickly, efficiently. But there's more than speed shown here. Carlson engineers modified this modern shear to provide unusually accurate cutting of stainless plate to your specifications.

Equipment of this type, coupled with our thorough knowledge of stainless steel, brings you the finest products . . . the finest service. For almost a quarter of a century it has been our aim to serve you best by producing what you want and delivering it on time.

**G.O. CARLSON Inc.**

*Producers of Stainless Steel*

144 Marshallton Road

THORNDALE, PENNSYLVANIA

District Sales Offices in Principal Cities

PLATES • PLATE PRODUCTS • HEADS • RINGS • CIRCLES • FLANGES • BARS AND SHEETS (No. 1 Finish)



## Your Guide to New Products

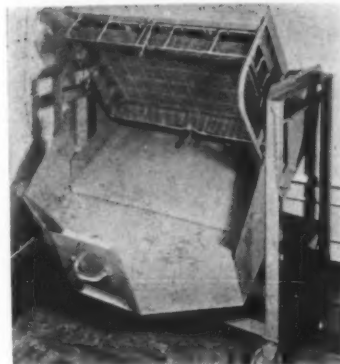


### Gram-Ounce Scale

#### Has Variety of Uses

Scale calibrated in grams and ounces is handy for occasional weighing tasks including production line weighing, spot checks, and quantity counts by weight. It is calibrated in 0 to 16 oz. and 0 to 450 grams. The stainless steel and aluminum scale is 5 3/4 in. tall and has a weighing pan of 3 in. x 2 1/4 in.

**Price:** \$6.65. **Delivery:** immediate.  
Edmund Scientific Co., Barrington, N. J.  
(PW, 5/8/61)

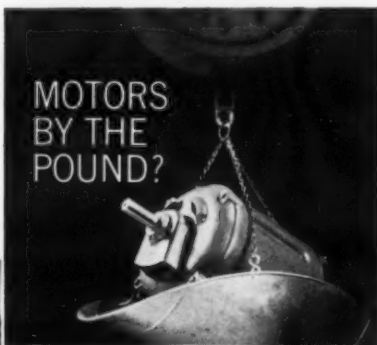


### Dump Cart

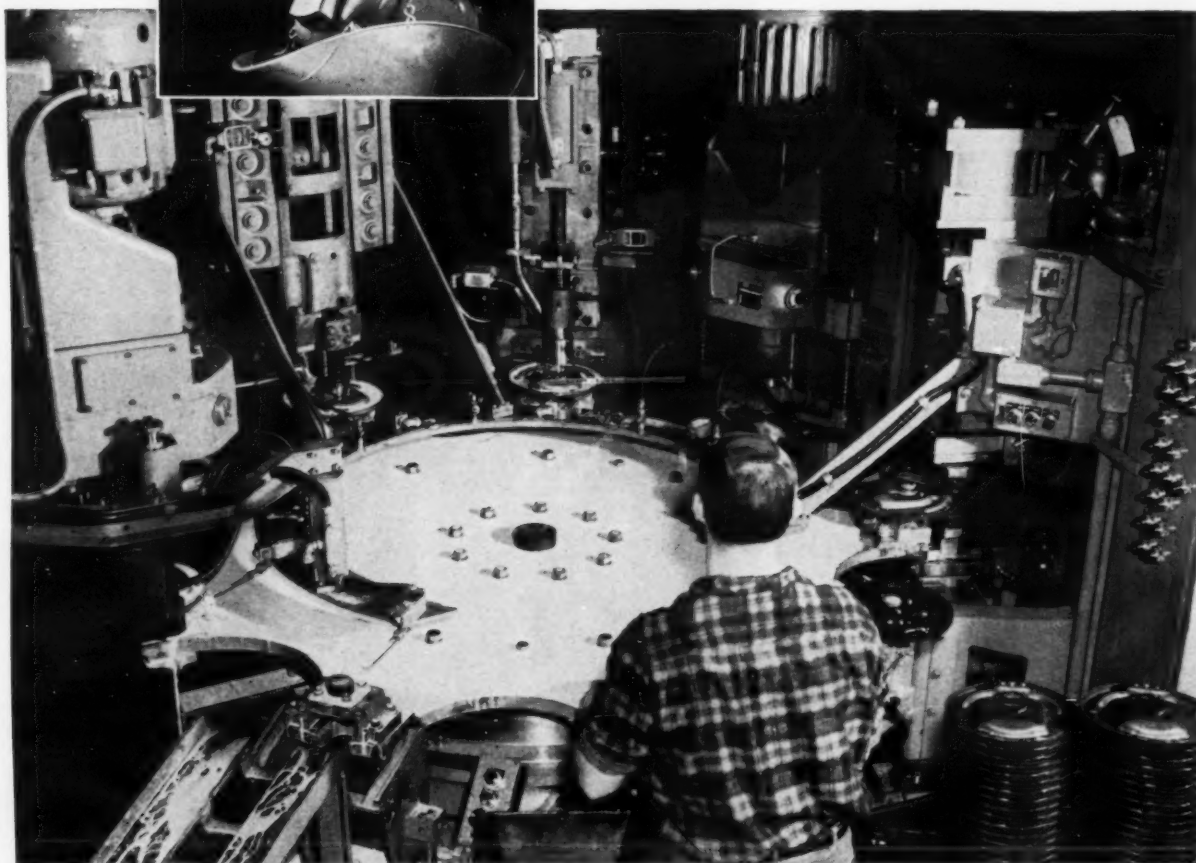
#### Handles Heat-Treated Parts

Dump cart accommodates basket holding small parts, which is loaded on roller platform, for heat treating. A drain pan under the rollers collects oil accumulated during quenching. The hopper chute is extended to catch the parts when the basket is rotated and emptied. This permits controlled feeding of parts into tote boxes or other containers.

**Price:** approx. \$175. **Delivery:** 1 to 2 wk.  
Ipsen Industries, Inc., P. O. Box 500,  
Rockford, Ill. (PW, 5/8/61)



*You're buying motors by the pound  
when price is the only consideration*



## Today's machine tools can't afford motors selected on the basis of price alone

Modern machine tools are designed to manufacture products of great precision at the lowest possible cost. But a machine tool is only as productive as the electric motors that drive it. Motors purchased on the basis of price alone often fail to give their users the greatest value in terms of useful service life.

The selection of the right motor to power your products requires not only specification of type, rating and operating characteristics, but consideration of such factors as uniform, troublefree performance, dependable long-life operation, the reputation of the manufacturer, and

his ability to provide immediate repair parts and service—when and where they're needed. Wagner® motors have earned their reputation for proven dependability in their specific applications.

Next time you buy motors, check beyond the purchase price. Make sure that you get all the performance you need—with motors that will do the job.

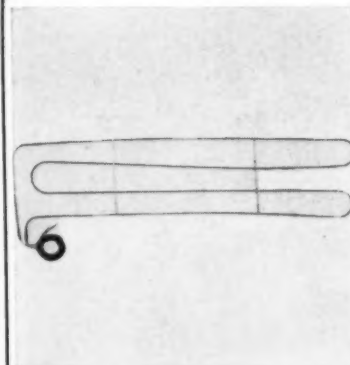
Wagner motors have been getting the job done for more than 65 years. Your Wagner Sales Engineer will be glad to show you why. Call him for an analysis of your next motor application, be it for plant or product.

*Branches and Distributors in all Principal Cities*

### Wagner Electric Corporation

6416 PLYMOUTH AVENUE, ST. LOUIS 33, MISSOURI

WM61-6



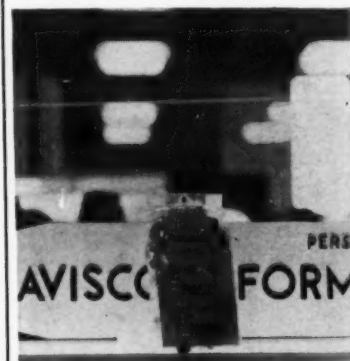
### Defrosting Element

#### Clears Loading Areas

Electric heating element clears snow and ice from asphalt, macadam, and concrete ramps, and loading areas. It can be covered with a layer of the material for installation on existing surfaces. Available in 24-ft. (400 w.) and 40-ft. (675 w.) lengths, it can be preformed into 10 ft. x 18 in. or 6 ft. x 18 in.

**Price:** \$21.95 (10 ft. x 18 in.).  
**Delivery:** immediate:

Edwin L. Wiegand Co., 7500  
Thomas Blvd., Pittsburgh 8, Pa.  
(PW, 5/8/61)



### Cellophane Film

#### Cuts Vapor Transmission

Cellophane in saran-type and polyethylene-type films is a two-layer laminate construction for general packaging applications. The material is heat-sealable and printable, and cuts down on vapor transmission. Yield per pound is 14,000 sq. in.

**Price:** 98¢/lb. (saran-type) and \$1.10/lb. **Delivery:** immediate.

American Viscose Corp., 1617  
Pennsylvania Blvd., Philadelphia,  
Pa. (PW, 5/8/61)



## Switch Cart

### Detaches From Dragline

Switching mechanism permits shelf truck to be dispatched to desired location and automatically switched off the dragline conveyor and onto a spur for loading or unloading. The truck is equipped with a shock absorbing pusher-bumper and tow pin so that other trucks on the conveyor can push it onto the spur.

**Price:** \$100 to \$200 (truck and mechanism). **Delivery:** 6 to 8 wk.

**SI Handling Systems, Inc., P. O. Box 70, Easton, Pa. (PW, 5/8/61)**



## Purchasing Week Definition

### Types of Glass (Part I)

**Soda-Lime**—This glass is made from inexpensive materials for use where heat resistance and high chemical durability are not required. It is relatively easy to melt and shape, and is less expensive than other types. Applications include windows, construction blocks, and incandescent and fluorescent lamps.

**Borosilicate**—Resistance to heat, corrosion, and thermal shock make this type suitable for extensive industrial and scientific applications. These include laboratory apparatus and pip-

ing. Because it withstands temperature variations with little change in dimensions, it is used for products such as telescope mirror blanks and aircraft camera windows.

**Lead Glass**—Because of its high index of refraction, primary use of lead glass is in lenses and prisms. Good electrical properties make it useful as an electronic material. The glass also has infrared transmission characteristics which are utilized, among other applications, in heat-seeking missiles. (PW, 5/8/61)

## GrayLine NYLON POST BINDERS

### FOR BURST OR UNBURST TABULATING SHEETS



## Sign Kit

### Serves As Bulletin Board

Plastic sign kit serves as bulletin board for business and industrial applications. Letters and numerals, available in a variety of sizes, are of molded frame-pronged plastic and easily changeable. The panel is of washable perforated plastic and is supplied with foot supports.

**Price:** \$12.75 (1/2-in. letters). **Delivery:** immediate.

**Pryor Marking Products, 434 S. Wabash Ave., Chicago 5, Ill. (PW, 5/8/61)**



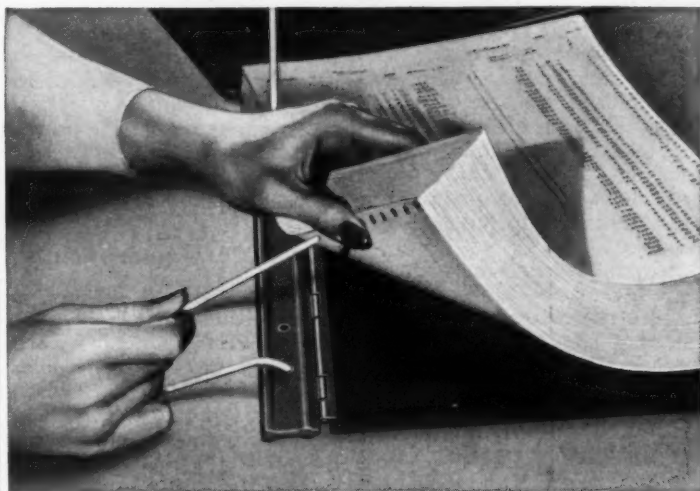
## Cable Cover

### Reduces Wear

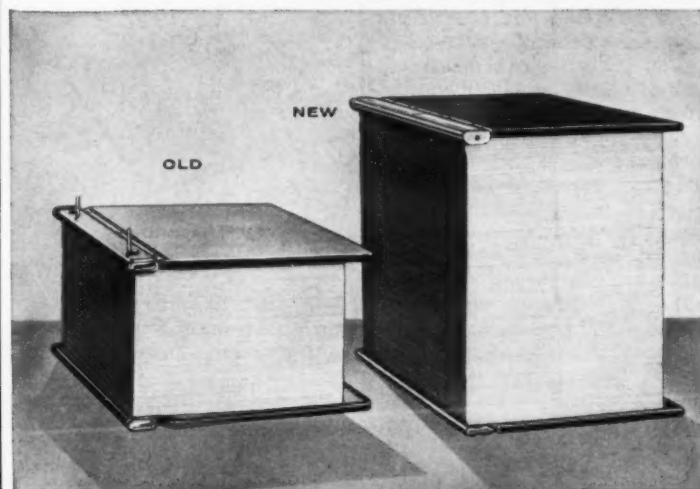
Neoprene-coated sleeve with sturdy zipper cuts down on wear and tear on welding cables. It comes in lengths to fit 9-, 12 1/2-, and 25-ft. standard cable sizes. The cover protects against damage caused by falling objects, trucks, and normal deterioration. Sleeves are 3 3/4-in. and 4 3/4-in. in circumference.

**Price:** \$13.75 and \$22.50. **Delivery:** 5 days.

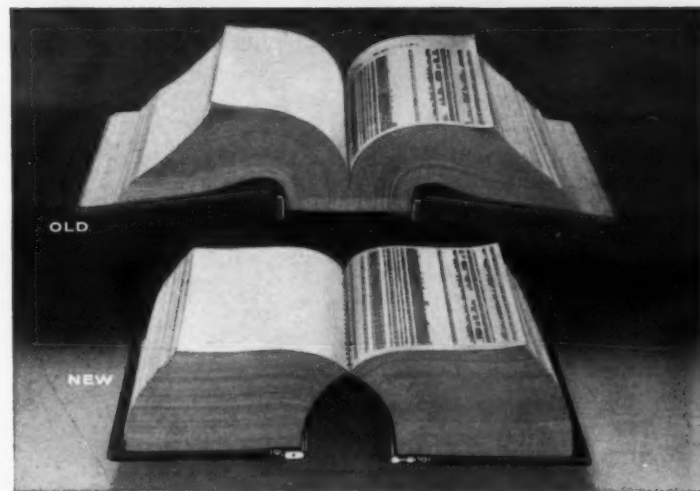
**Singer Glove Mfg. Co., 860 W. Weed St., Chicago 22, Ill. (PW, 5/8/61)**



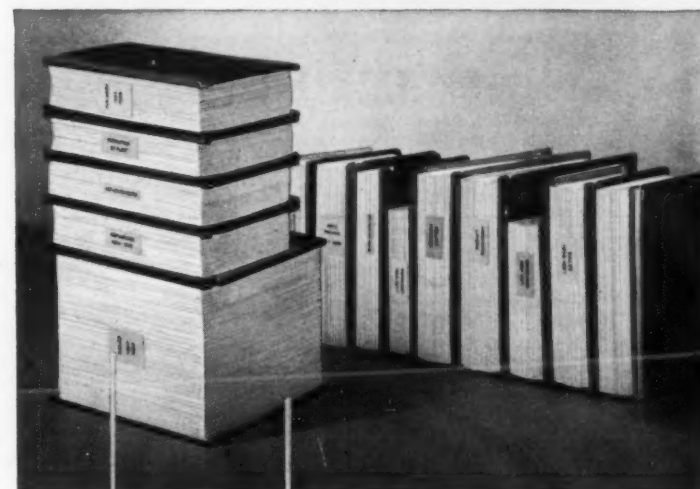
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## READ EASIER



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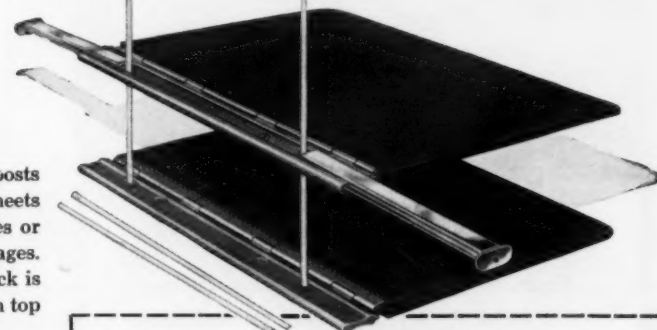
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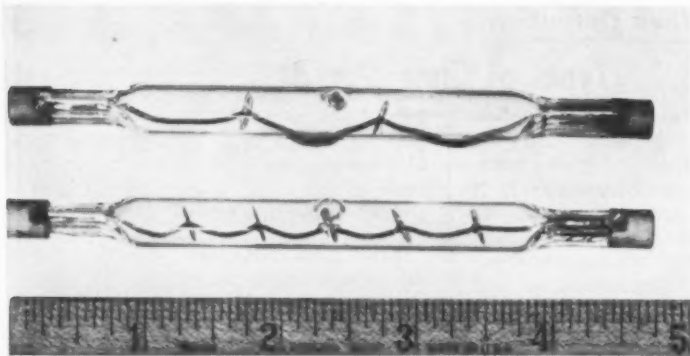
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## Product News in Brief

### Blast Cleaning Machine

**Ferndale, Mich.**—Wesson Tool Co., is using a small blast cleaning machine, to save more than two-thirds of the man hours previously required to clean production parts. The barrel machine has eliminated three manual processes and substantially reduced a fourth.

The machine hurls metallic shot over the 225-lb. loads of brazed cutting tools handled by the 1½-cu. ft. barrel, cleaning each load in about 6 min. An automatic cutoff prevents overblasting. The machine removes excess flux left after brazing and excess mica which adheres to the blades while parts are cooling in the mica box. The shot blast also performs a slight deburring.

The former system required about 19 finishing hours and 8 hours of cooling in mica, requiring four or five men throughout the operation. The new machine, a Rotoblast manufactured by Pangborn Corp., of Hagerstown, Md., takes only 8½ hours for finishing and 8 for cooling, using three men. Only one man is required for actual operation of the machine.

Recycling equipment removes all refuse materials, making the abrasive usable again and again. Fine dust created by the operation is exhausted into a cloth bag alongside the machine.

### Fiberglass Cab Trucks

**Chicago**—Diamond T Motor Truck Co. has equipped two new trucks with fiberglass tilt-cabs. The plastic is designed to cut down on maintenance costs and to increase driver comfort.

The fiberglass cab resists corrosion, and is practically impossible to dent or permanently crease, the company said. It springs back to original shape after any degree of deformation short of actual fracture of the fibers. If repairs are needed, they can be made in the operator's shop, using a special repair kit, with a minimum of down time.

The sound absorbency of fiberglass contributes to quieter operation in the cab, and its insulating properties make the cab cooler in summer and warmer in winter.

The two trucks, models 738CG and 838CG, are six-wheelers with a wide range of tandems in suitable ratios for any service. Their V-8 engines deliver 207 hp. and 235 hp. at 3,400 rpm. each.

### Reversible Conveyor Belt

**Akron**—B. F. Goodrich Industrial Products Co. has patented a conveyor belt system which turns the belt over after delivering a load so that return idlers touch only the "clean" side. It is recommended for belts handling wet or moist materials.

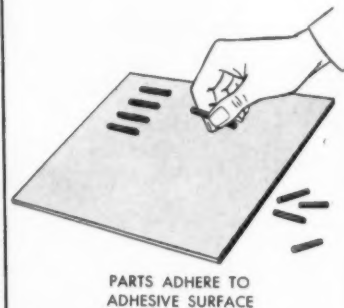
Twist pulleys at each end of the system turn the belt for 180 deg. As it enters and travels under the conveyor framework, the belt is reversed to prevent the build-up of tacky materials on idlers and pulleys. The thick carrying cover is repositioned to receive the load when it emerges from the framework.

The system can be applied to any conventional conveyor now in use without altering the framework if space is available to mount the turnover pulleys and to accommodate the belt turn.

### Coated Corrugated Board

**Addison, Ill.**—Corrugated board is available from Pres-On Products Co. with an adhesive coating for the packaging and handling of fragile or small products.

Protective cover on the board



PARTS ADHERE TO  
ADHESIVE SURFACE

comes off to leave a tacky surface which holds parts and keeps them from becoming mixed or damaged.

Pres-On is supplying corrugated and chip boards with the adhesive coating in custom-ordered

sizes and shapes, including die-cuts.

### Fire Retardant Foam

**Niagara Falls, N. Y.**—Hooker Chemical Corp. is sandwiching Hetrofoam, claimed to be the first fire retardant polyurethane foam, between two metal sheets to form construction panels.

The rigid foam's low "K" factor of about 0.12 at 75 F provides excellent insulation properties, and its heat stability resists distortion at temperatures above 200 F. The material also has low water absorption and moisture permeability.

Initial installation of the panels is under way by the American Bridge Div. of U.S. Steel Corp. at the parent company's new research laboratory at Homestead, Pa. Hetrofoam is being used also by the Toyad Corp., Latrobe, Pa., to manufacture slab stock and molded shapes.

### Collapsible Rubber Tanks

**Milan**—Pirelli is producing a variety of collapsible rubber tanks that convert standard trucks to tankers for hauling liquid loads.

The tank collapses when emptied and can be stored in a corner of the truck, providing space to accommodate other loads and eliminating the expense of empty return trips. The largest size presently available from the company is a 7,062-cu. ft. tank, 24.6 ft. long and 11.4 ft. wide.

### New Coating for Foil

**New York**—Rubba, Inc., has developed a coating to color aluminum foil, permitting end-product fabricators to stockpile the less expensive natural-color foil and prepare it in exact colors and quantities to meet customer's demands.

The coating is available in a full range of brilliant colors and air dries to a flame-resistant finish in 30 to 90 seconds. The coating, which is compatible with adhesives used by fabricators, remains completely flexible and abrasion resistant after application.

The coating process is said to be so simple that users can easily build their own equipment. Start-up and clean-up times are practically negligible.

### Where Can I Buy?

Some products are easy to locate, others difficult. Perhaps you can help one of our readers who knows exactly what he wants but doesn't know where to get it. And keep in mind that you can make use of this Purchasing Week service at any time.

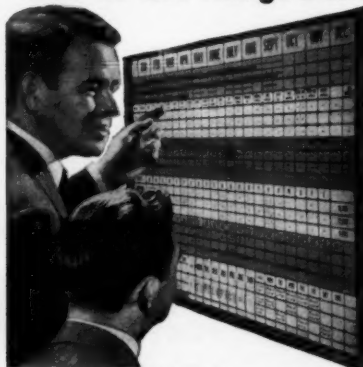
"We are interested in purchasing equipment to automatically straighten and cut off copper tubing in diameters of 3/16 in., 1/4 in., 5/16 in. and 3/8 in. O.D. This tubing will be purchased in large reels and cut into lengths ranging from 6 in. to 34 ft. Elaborate equipment is not necessary as our total monthly usage amounts to approximately 25,000 lb."

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# Steel Upturn Sparks Warning of Delivery Delays

(Continued from page 1)  
month ago. But there are strong indications that the buyer can still call the shots on delivery dates. One large Midwest mill admits losing some sheet business to competitors who are making two-to-three week deliveries.

Buyers and sellers alike agree that "cut rates" on nonspecialty items are largely a thing of the past. But warehouse officials admit the toughest area of competition in the warehouse business continues to be prices.

"We're under severe price pressure in almost every city we serve, both from the purchasing agent and our own competition," said the head of one large warehouse complex. "Furthermore, there has been no indication on price firming anywhere since the Los Angeles area experienced a strengthening of prices last January."

Heaviest price pressure has been felt most recently in Houston, Portland, and Philadelphia, he said.

## Around the Country

Here, from major steel producing areas, is the picture on orders and delivery:

• **Pittsburgh.** Across the board pickup in demand with orders coming from all segments of the market is expected to increase in May. Key reason: Higher auto building schedules for Detroit in May and June. Though automotive orders are expected to drop off as usual during the summer, one large producer expects this letdown to be counterbalanced by the growing impetus in demand from other industries. This mill sees a leveling off to the current 65% rate, while another producer sees a considerable boost in "late summer or early fall."

Pinpointing the improvement in demand for tinplate and tubular products is fact that Jones & Laughlin's Aliquippa works, most widely diversified in product range, has all furnaces operating. With the pickup gathering momentum, delivery times are lengthening. But so far, only galvanized sheet and tinplate show lead time pressure.

• **Cleveland.** Lead times continue short in this area, with deliveries still being made virtually on demand. While there are open spaces in the books for the current month and no sign of heavy advance ordering, mill sources report day-by-day improvement in demand. They predict marked improvement each quarter, and feel the summer third quarter letdown will not be felt so much this year.

Warehouses list hot and cold finished bars in greatest demand, with aluminum products and stainless next. Biggest headache continues to be service and "overnight delivery."

• **Chicago.** With an upturn in orders from a wide range of industries, "normal" lead times are still a long way off, experts agree. Cold rolled sheet and tinplate are expected to lengthen first, but one mill official said, "We're still a long way from 45 days for cold rolled."

There is speculation here that auto companies may keep summer business perkling by doing a "running changeover" because of pending UAW negotiations. Nor-

mal shutdowns for model change-over would be skipped in order to get production "bugs" out of 1962 models before Big Three contracts expire Aug. 31. If this happens, cold rolled sheet demand will remain high throughout the summer.

• **Atlanta.** Atlantic Steel Co. reports strong pickup from construction market and steel fabricators.

Sales of manufacturers' wire have picked up with lead times stretched from one to a current three weeks. Rolled steel products have stretched out delivery times by a few days. Like producers in most other areas, Atlantic expects no pronounced summer slump.

Warehouse sources expect this summer to be better than last, but say that so far no demand in any product has been big enough to cause lengthening of delivery time. Biggest source of new traffic: makers of structural shapes.

• **New England.** Lead time on

galvanized sheet has lengthened to the second week in July in the Boston area, one company reports, owing to a tinsmith strike there. Other companies report a plentiful supply, but lengthening delivery times due to increased demand.

In general, lead times are beginning to lengthen "slightly" on structural and hot rolled steel. Carbon steel plate, used in heavy machinery manufacture and ship construction, is in strong demand.

The industry is divided on where the upturn is coming from; two out of three warehouses credit the auto and construction industries, others lay the spurt to machine tool and textile machinery manufacturers.

Reports from the South and Midwest mention only one industry as a noncontributor to the rise in orders: railroad car building. The reason is simple: Large consumers of plate, rail car builders just don't build cars until their own carloadings rise substantially.

## Value Analysis Becoming the Vogue With Pentagon Procurement People

(Continued from page 1)  
run off at Philadelphia for R&D management, middle management, and technical personnel. Both seminars are a pilot run for a larger program the Navy wants for fiscal 1962. Already the Bureau of Weapons' three-man value analysis group has been giving VA sales talks throughout the Navy Dept.

## UAW Seeking Voice In Choice of Vendors

(Continued from page 1)  
tive bargaining agent, be it UAW or another union.

• Companies with a UAW jurisdictional dispute, particularly when a building trades or teamsters union is involved.

In addition to the subcontracting demand, the delegates okayed the following nonspecific list of proposals to be offered:

• A flexible work week with no loss in take-home pay. When unemployment rises, the work week would drop. Workers would be paid for the difference between 40 hours and the number of hours actually worked from a national fund. The fund would be built up by employer contributions, amounting to 10% of their payrolls.

• Salaries for production workers, who now are paid an hourly wage rate.

• Higher supplemental unemployment benefits and pension benefits. In addition, the union seeks a voice in the investment of pension funds.

• An automation fund to pay the expense of relocation and retraining of workers displaced by automation.

• Full cost of medical-hospital-surgical insurance to be paid by the companies, which now assume only half the cost.

• Adjustment upward of the annual improvement factor clauses to compensate for increased productivity resulting from technological advancement.

• **Augmenting the Army Ballistic Missiles Agency's plans to put value analysis clauses in all contracts of \$100,000 or more, the Army group is holding 40-hour workshop seminars with prime contractors who in turn will spread value analysis concepts to subcontractor levels.**

• **Appearing at a recent hearing of the House Armed Services Investigation Subcommittee, Joseph S. Imirie, assistant secretary of the Air Force for Material, said encouragement of value engineering is helping to cut down Air Force procurement costs.**

Part of the encouragement Imirie referred to is monetary. Until now, any savings in fixed price contracts have gone back to the military; under the present scheme the government is offering suppliers a share of the return, sometimes as high as 50-50, if the contractor can prove value engineering is reducing the cost of its product.

But an equally strong encouragement is the desire to hang on to the government's business—and without value analysis programs, the contractor's position is shaky. There's strong indication that soon the military will not consider bids from companies that are not pushing VA. Says an Air Force procurement official, "Competing for our business is a contractor's life blood, so he'd better have a value analysis program underway before he even bids. Anyone not in value engineering had better get it, or else I'm on top of him to find out why."

Although some observers view the value engineering scramble as a gimmick to satisfy cost-conscious congressmen, the turmoil among contractors and procurement officers is real. The Air Force, last of the services to get its VA drive going, decided that its industrial inspectors could not judge value engineering competence unless they got some training on the subject.

—This Week's

## Purchasing Perspective

MAY 8-14

(Continued from page 1)

professional development in which NAPA leadership has been focusing so intently during the past year. At the recent NAPA executive meeting in New Orleans, it was decided to marry the Professional Development and VASCO committees as part of the association's project development envisioned in its expanded program of professional development activities.

**Realignment of these two important NAPA committees is part of an over-all streamlining NAPA leaders are effecting to keep the organization and its membership in tune with the expanding interests and responsibilities of purchasing departments.**

• • •

The American Management Assn.'s newly organized Purchasing Div. recently conducted its first workshop seminar on the organization and management of the purchasing function. The sessions opened with a statement by each of the participants on the principal problems confronting him and his department. As indicated above cost reduction was a major concern, but following in more or less this order were these operational headaches:

• **Pricing and market analysis.** This coincides with the thinking of key sales and marketing managers whose allied headaches are how to effect price stability to promote corporate growth while maintaining price flexibility to remain competitive with rivals vying for a P.A.'s business.

• **Performance valuation.** The questions asked here revolved around how much management expects purchasing to contribute to corporate profits and how to prove that purchasing is carrying out its responsibility in that area.

• **Inventory control.** What are the yardsticks to measure turnover? What are the costs of inventory in money, time, space, and production efficiency?

• **Negotiation.** How to convert order writers to buyers? How to break through identical bids to competitive pricing?

**Departmental organization, top management relations, methods and procedures, and buyer training and motivation also ranked high as purchasing pulse-takers.**

## GE Ready With Square Fluorescent Hailed as 'Most Significant' Innovation

**Nela Park, Ohio**—General Electric is ready to go into full production of square fluorescent lamp which condenses 5 ft. of arc within an 11½ in. square.

The lamp will be available in the fall when manufacturers are expected to have fixtures on the market, GE said. Hailed by company spokesman as "one of the most significant lighting innovations since the first fluorescent,"

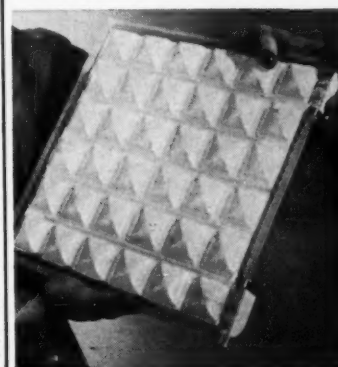
Manufacture of the GE lamp requires molding two separate squares of glass: a face plate with a waffle pattern of 1¼-in. squares and a back plate shaped like a compressed tube formed into six loops. After processing, the two plates are sealed together.

### Improved Models Coming

The first production lamps, now being shown, produce the same amount of light from the face and the back. The company also expects to produce lamps with specially reflectorized back surfaces to emit 80% of the light from the face and 20% from the back, reflecting more light downward in suspended or recessed luminaries. The current model is available now only in "cool white." Other whites and colors will be added at a later date.

Connections to the ballast will be made at two corners of the same edge of the lamp. With a push-pull connector, contact can be made with one hand while the lamp is held in the other hand or in the fixture frame.

The lamp can be used singly or in groups, as in staggered decorative patterns. It may be adapted to built-in, surface-mounted, suspended, and free-standing applications. The face plate itself diffuses the light for maximum illumination and conceals the path of the arc.



**SQUARE LAMP:** Face of 11½-inch square GE fluorescent lamp shows waffle pattern that diffuses light.

the new unit will last 7,500 hr. and cost \$6.95. It is rated at 80 w., producing 4,800 lumens or 10% more light than four conventional 20-w. fluorescents.

GE showed its prototype square fluorescent several years ago but development of manufacturing equipment delayed commercial production.



# P.A.'s Forcing New Era of Price Flexibility

(Continued from page 1)  
experts made it clear that the old cost-plus and emergency price-cutting techniques have proved inadequate, in their opinion, in a competitive marketing climate that is becoming even more complicated with the increased outpouring of new products and the more active role of government in price policing.

Two major management groups—the American Management Assn. (AMA) and the National Industrial Conference Board (NICB)—recently conducted lengthy conferences on the subject of today's competitive pricing problems. While the experts failed to decide on any one clear-cut approach, they did agree that flexibility will be the watchword from now on and that more and more prices will be played by ear—with less adherence to rigid unit cost structures, rate of return, and other strict preconceptions on which pricing policies traditionally have been based.

## Different Unit Price Basis

This revamped approach to the cost-price relationship was detailed at the AMA session by management consultant Albert J. Bergfeld, head of the firm Stevenson, Jordan & Harrison. In essence, he recommended that unit prices be set by the income of predetermined sales volume—rather than on the basis of unit cost. Under this system potential sales volume at different prices would be examined to select a unit price that would recover basic costs and provide additional income for profit and reinvestment.

Advantage of this approach is more maneuverability in several directions. For example, once costs are recovered, a manufacturer can vary prices or promotional expenses over the remaining targeted volume and still come up with a profit on the operation.

## 'Price Leadership'

The experts also examined the dangers of "price leadership" in the light of the current activities of the federal government in the pricing field. This would seem to hold the promise of continued, rather than less, price competition. Declared Attorney H. Graham Morison, senior member of Morison, Murphy, Clapp & Abrams: Price leadership is "contrary to the spirit and policy of the antitrust laws . . . And the new Administration, I am sure, will act to carry out the policy of the laws in this important area." He said that to take no action against the practice of price leadership "would constitute an acceptance of rigid and non-competitive prices in key American industries."

Albert G. Seidman, chief attorney of the Federal Trade Commission's New York office, told an AMA session: "The test of legality or illegality (in pricing decisions) is based on what the actual or potential competitive effect of the pricing practice is or will be."

Dr. Jules Backman, a New York University economist, who led the NICB pricing seminar, fired a double-barreled shot against government pricing regulations and the cost concept of

pricing. Said Backman: "The Robinson-Patman Act provides that any differences in price may be justified by differences in cost . . . Cost justification is based on a concept of price-making that is related neither to economic theory nor reality."

The pricing experts made much of the problem of getting competitive data before making the crucial decision of whether to go along with a price cut.

"When a P.A. asks you to meet a competitor's lower price," said one chemical company executive, "try to dissuade him from taking immediate action while you investigate thoroughly. It's harder to raise prices than to lower them, and you can hurt yourself by reacting to a situation that may be strictly temporary."

"Meeting a price is the last thing to do," advised Frederick Crowther, president of Henry Pratt Co., a producer of valves and fittings. He said the first thing to do is "determine the validity of reports, compare competitive offerings and competitors, and consider the effect of the decision in future results."

The subject of costs still rates top priority as the determinant of price. But the feeling is developing to assign costs the main role of providing a floor for prices.

And Backman challenges even that concept. "Costs do play a role in the determination of price," he says, "but frequently it is price that determines costs."

The public relations aspect in pricing is tied in with the image of the product that the seller wants to create. Pricing can be an important factor in building or maintaining this image.

This is demonstrated through an experience described by Crowther. He told how his company had enlarged its share of the market for a certain product by introducing a premium product at a premium price. When competitors came with close copies, the product still sold well at a higher price.

But Crowther reluctantly met the competitive price level under pressure from salesmen. "Almost overnight," he said, "we lost our industry position and settled back to the proportion we formerly held."

# Worried Lead and Zinc Association Map Drive to Step Up Sagging Sales

(Continued from page 1)  
pointed out that it's difficult to make a more accurate estimate since member companies contribute time, personnel, and materials in addition to their basic assessments.

Both associations are incorporating research findings into a broad education program which will take the form of technical assistance, personal contact, technical papers, promotions, advertising, and pamphlets.

The lead and zinc associations are troubled by the fact that consumption in the U.S. hasn't kept pace with the rise in industrial production. Per capita use is now lower than it was in 1950. European consumption of the two metals, on the other hand, is rising steadily and records were set almost everywhere on the continent in 1960, it was reported.

Newer uses in the U.S., such as die casting and strip galvanizing, are expanding, while traditional markets such as cable sheathing are down (60,000 tons/yr. now; 140,000/tons/yr. 10 years ago).

The lead and zinc research programs are taking a three-pronged approach: (1) search for new uses, (2) improve present uses, and (3) conduct fundamental or pure research into properties.

The search for new and improved uses has sparked 60 different projects, which are in varying stages of completion. Some projects are already bearing fruit. One, a zinc anode system developed in conjunction with Case Institute, promises to answer the corrosion problems of glass-lined hot water heaters. It is estimated that 5,000 tons/yr. might eventually go to this one application.

Work is also being done on developing vehicles for zinc oxide paints which would eliminate the blister problems. Lead

asbestos pads for vibration suppression in buildings and lead for sound attenuation applications are two other projects. Welding of galvanized steel and powdered metal alloys also are coming in for study.

Shifting the emphasis to improving present uses, the associations have studied existing production processes with an eye towards streamlining operations. Work is progressing on an improved zinc lithographic printing plate and a continuous extrusion machine for sheathing cable with lead alloys has been developed. Projects are also underway to improve zinc die castings and platings.

The fundamental research efforts comprise about 25% of the total program. Knowledge gained from the basic studies will be used to develop new products.

# Late News in Brief

## Canadian Rail Strike Looms

**Montreal**—Threat of a nationwide Canadian rail strike on midnight, May 15, intensified when negotiations between Canadian railroads and 15 nonoperating unions broke off. A Canadian National Railways spokesman said in event of a strike freight into the U.S. via its subsidiaries would be held up.

## U.S. Set to Barter Surplus Food

**Washington**—In a move aimed at strengthening world lead prices, the Agriculture Dept. said it is ready to barter surplus agricultural commodities for surplus lead stocks. Exchange would be limited to countries which agree, along with the U. S., to limit production and sale of lead at the International Lead-Zinc Study Group conference in Mexico City last March.

## Goodyear Inks Wage Pact

**Akron**—Goodyear Tire & Rubber Co. signed a two-year wage pact with the United Rubber Workers providing increases of up to 14½¢/hr. including up to 7½¢/hr. for non-tire workers. The union now has new two-year agreements with Goodyear, Firestone, General Tire, and Seiberling. It is scheduled to begin negotiations today (May 8) with U. S. Rubber and May 15 with B. F. Goodrich.

## CAB May Revise Billing Rule

**Washington**—The CAB said it is considering a rule which would require air carriers to spell out their billing regulations in published tariffs. Contemplated rule is, in part, a response to a petition by 12 domestic air freight forwarders asking the board to extend from 7 to 21 days the time in which they must pay transportation charges. The board has invited comments on or before June 2 by interested parties.

# Firmer Demand, High Foreign Tags Seen Bolstering the Price of Copper

(Continued from page 1)  
price of No. 2 copper wire scrap (the copper raw material for custom smelters) to 25¼¢/lb. That's the equivalent of 31¼¢/lb. for the refined metal.

• **Political Uncertainties** — Continued turmoil in the Congo, plus threats of strikes in Northern Rhodesia and Kennecott's U. S. holdings, have tended to firm the whole copper price structure.

The new price increase from 29¢/lb. to 30¢/lb.—initiated by American Smelting and Refining Co.—was quickly followed by other major producers. The rise follows two successive declines over the past seven months.

The price last October was cut from 33¢/lb. to 30¢/lb. as the

American economy headed for a low point and international tensions eased somewhat. The further 1¢/lb. decline in January reflected the huge buildup of stocks as many producers failed to make adequate cutbacks.

Copper experts are generally agreed that the price will hold firm at least through June. One told PURCHASING WEEK, "With consumption—particularly brass mill products—up, I don't see any near-term weakness ahead."

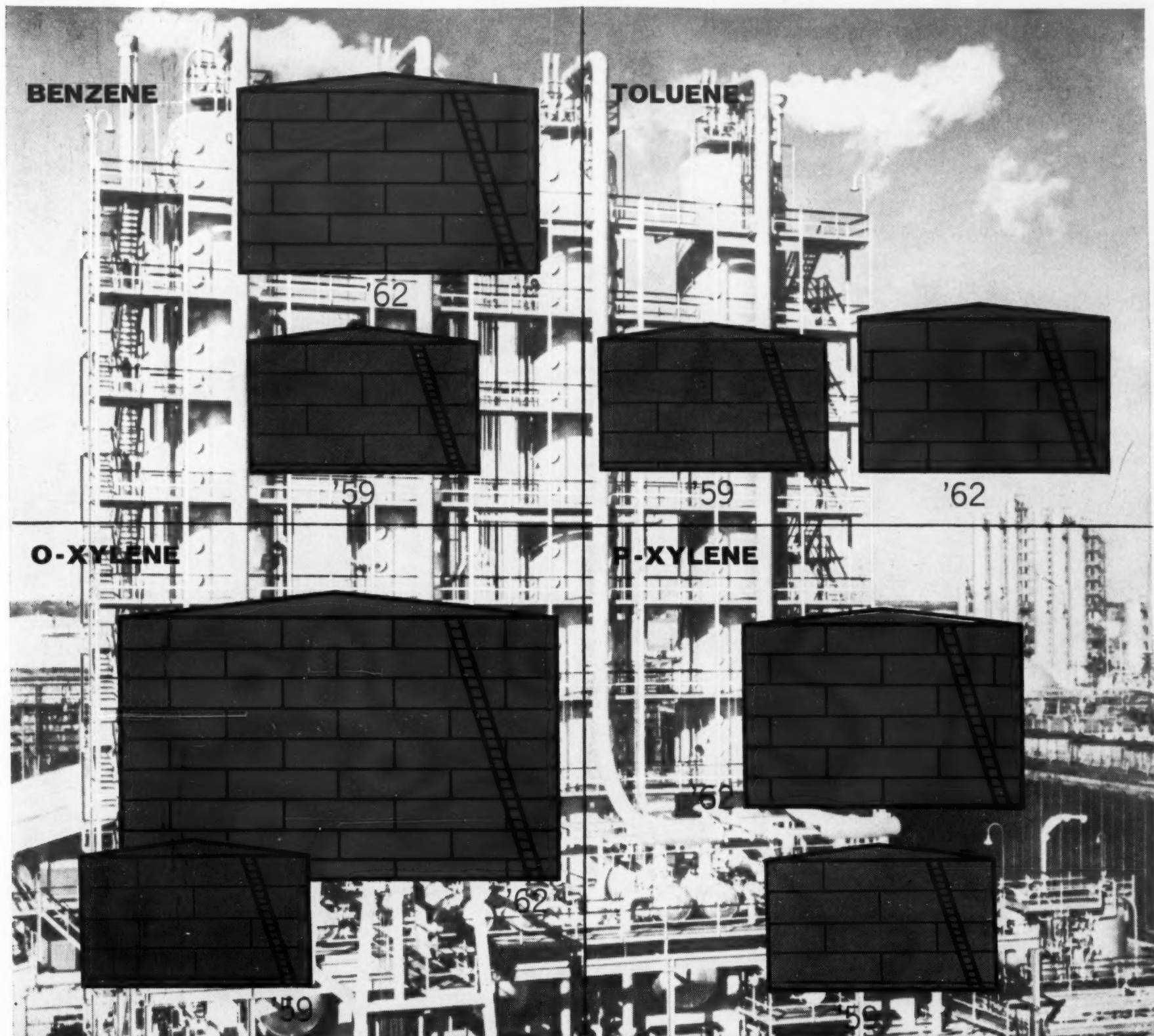
Actually brass mill shipments have been even better than expected. In April, for example, they are estimated to be about 10% above March. And May shipments—based on the increase influx of new orders—should be even better.

# Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
<b>INCREASES</b>			
Tellurium, 99.7% comml. gr. lb.	\$1.25	\$5.25	tight supply
Casein, arg., crlts., lb.	.01	.18	
Copper, ref., lb.	.01	.30	incr. demand
Brass & copper tubing, Bridgeport Brass.	3%	....	cost pressure
Brass & bronze ingot, lb.	.0125	....	scrap scarcity
Copper sulfate, crystal, crlts., cwt.	.25	\$12.25	metal boost
Tribasic, crlts., cwt.	.50	\$18.10	
Tin salts, potassium stannate, lb.	.005	.81	
Sodium stannate, lb.	.004	.672	
Tin crystals, anhyd., lb.	.006	\$1.044	
<b>REDUCTIONS</b>			
Solid state strain gages, micro systems, pkg. of 4.	18%	....	prod. econs.
Glycerin, synthetic, ref., 99.5%, crlts., lb.	.0225	.2675	oversupply
96%, crlts., lb.	.0225	.25	oversupply
Glycerin, crude, soap lye, lb.	.018	.122	market pressure
Saponification, lb.	.025	.135	market pressure
Turpentine, N. Y., gum, gal.	.08	.86	regional adjust.
Sulfate, gal.	.08	.76	regional adjust.
Wood, steam dist., gal.	.08	.83	regional adjust.
Gasoline mid-cont. refiners, gal.	.01-	.12125-	
No. 2 oil, kerosene, diesel oil, Esso, east coast, gal.	.005	....	high invents
Home heating oil, diesel fuel, Gulf Coast, gal.	.005	....	seasonal



## WHAT'S NEWS IN ENJAY SUPPLY



## Enjay is increasing facilities to meet your needs!

As one of the world's largest chemical marketers, Enjay is investing in expanded production facilities to meet the increasing demand for aromatic hydrocarbons. Here is the Enjay expansion program to meet demands.

This is one more reason why Enjay is a dependable source of supply.

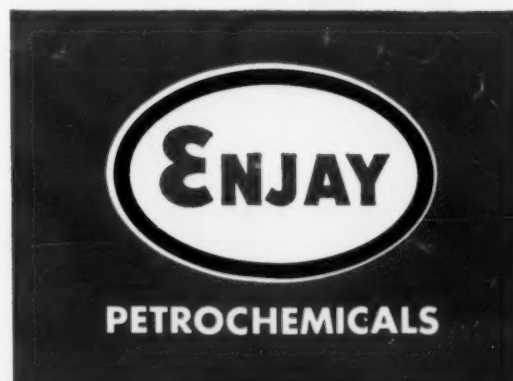
	CAPACITY	
	1959	1962
BENZENE million gal/yr	45	79
TOLUENE million gal/yr	32	55
ORTHOXYLENE million gal/yr	6	24
PARAXYLENE million lb/yr	65	105

For information on these or other Enjay products write 15 West 51st Street, New York 19, New York.

EXCITING NEW PRODUCTS THROUGH PETRO-CHEMISTRY

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A DIVISION OF HUMBLE OIL & REFINING COMPANY





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